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## INTERNATIONAL AFFAIRS

### KURDISH QUESTION EXAMINED IN LIGHT OF RECENT ARMY OPERATIONS

London AL-MAJALLAH in Arabic No 174, 11-17 Jun 83 pp 3-4

[Article by Muhammad Ma'tuq: "What Do the Kurds Want? A Dream Since 1920"]

[Text] At the end of last month, two Turkish commando units based in Bolu in northwest Turkey, supported by an airborne brigade from the district of Kayseri in central Turkey, launched an attack from a mountainous area near the village of Cukurca in the province of Haqari right across from the Syrian-Iraqi-Turkish border against positions held by Iraqi and Turkish Kurds inside Iraq. They arrested about 2000 Turkish and Iraqi Kurds who were transported to Turkey, where they are being questioned in preparation for the trial of the Turks among them and the turning over of the Iraqi Kurds to the Baghdad government.

The Ankara government maintained silence in the first 3 days of the operation, but was compelled to issue a clarifying statement after news about the battles being fought on the Turkish-Iraqi border leaked out. The government said in the statement that the operation was limited and that "no one's nose was bloodied in it," despite confirmation by the International Red Cross in Ankara that large ambulances had been sent to the Haqari region on orders from the Turkish government.

The Turkish government's statement did not point to the Kurds by name. Rather, it spoke of an attack undertaken inside Iraq by Turkish forces in order to arrest "armed groups" which were launching attacks on Turkish territory. For the Turkish military government does not recognize the existence of the Kurds, who officially are described as "mountain Turks" or "the inhabitants of the north". They are forbidden to use the Kurdish language and to found ethnic associations.

At first, it seemed as if the Turks were invading Iraq, taking advantage of the fact that its forces are being kept busy in the war with Iran, which has been raging for 33 months. This reminded one of what had been said in an article in the magazine "New Statesman", which appears weekly in Britain, last year concerning the existence of a Turkish-American plan to seize Mosul from Iraq, since the Turks feel that the oil-rich region which was made a part of Iraq by a British decision is Turkish land which must be returned. However, these fears disappeared when the Iraqis announced that the Turkish military operation had occurred with the agreement of the Baghdad government, and that it was consistent with an agreement made by the two countries years ago which permits the

military forces of one side to cross the common border as part of operations having as their goal the preservation of security and stability in the border region and the facilitation of the movement of convoys across it. The Turkish foreign minister, Iltaer Turkmen, did not hesitate to travel to "neighboring and friendly" Iraq, where he met his Iraqi counterpart Tariq 'Aziz. He then met with President Saddam Husayn and gave him a letter from the Turkish President Kenan Evren having to do with "current issues of interest to the two countries."

Informed Iraqi sources say that the agreement mentioned by the Iraqi and Turkish officials, on the basis of which the Turkish military campaign was carried out on Iraqi territory, was drawn up in 1978 when Evren visited Baghdad as the Turkish chief of staff following the announcement of a state of emergency in the country and the taking over of power by the army. The sources themselves confirm that the agreement is not written, but consists of a verbal understanding dictated by a common need to make sure the line of transportation was kept open and insure the safety of Turkish and Bulgarian freight convoys passing from Turkey to Iraq or across Iraq to the countries of the Gulf. It was also dictated by a mutual interest in preserving the security of the Iraqi oil pipeline which goes through Zakhu in the (Kurdish) north and thence to Kurdistan in Turkey, which it crosses into Turkey. This pipeline represents the only outlet for Iraqi oil now that the war with Iran has blocked the other unloading ports in the Gulf region, and Damascus has blocked the oil pipeline which passes through Syrian territory to the Syrian port of Banyas and the Lebanese port of Tripoli.

The Turkish and Iraqi governments had agreed to expand this pipeline and double its capacity as part of Iraq's plan to find alternative ways to export its oil. Among these alternatives was the construction of a new pipeline across Saudi Arabia to the port of Yanbu' on the Red Sea. It ought to be mentioned that the Iraqi oil pipeline across Turkey had been exposed in 1980 to a sabotage operation of which Kurds were accused who came from the al-Tilbani group (the Kurdistan National Union), which is active with Soviet and Arab support.

#### The Recent Turkish Attack

Since the Turkish-Iraqi border security agreement was made by the two countries, the armed forces of neither of the two countries have undertaken major operations across the border. The Turkish military government was kept busy organizing the situation in the interior, while the Iraqi government was busy with the continuing war with Iran. Therefore, the recent Turkish military campaign has great importance, for it comes at the end of a 2-year period which attacks with the purpose of plundering freight convoys crossing the Iraqi-Turkish border reached their peak. It also comes at the end of a year full of many small wars which were witnessed by the border region, among which were inter-Kurdish clashes. The parties to these clashes were the Kurdistan National Union Party, led by Jalal al-Tilbani, and the Kurdish Democratic Party, led by Mas'ud and Idris al-Barzani, offspring of the late Mullah Mustafa al-Barzani, who died in 1979. There were also confrontations of a wide nature undertaken about two months ago by al-Tilbani's Kurds against the Iraqi Communists who had fled north, as well as military operations undertaken by the Iraqi forces against Kurdish insurgents and Iraqi Communists. The most prominent of these confrontations was one which happened about four months ago in which more than 100 communists were killed in one of the biggest military defeats suffered by the Iraqi communists.

The Turkish military attack came about two weeks after the death of three Turkish soldiers and the wounding of three others, among them an officer, at the hands of the Kurds, who launched an attack on a military position within Turkish territory, then withdrawing back into Iraqi territory to take refuge in the forested, mountainous region there.

Iraqi sources say that the Iraqi Kurdish areas have for 6 years been fortresses for the Turkish Kurds who have fled in the aftermath of military operations against them on Turkish territory. This is the opposite of what things were like before, when the Turkish territory used to serve as fortresses for Kurds fleeing from Iraq. This prior state of affairs was behind the Iraqi campaign of similar nature which was launched in 1977 against the Kurds and during which fleeing armed Kurds were followed into Turkey. Iraqi sources say that a number of Turkish soldiers were killed during the Iraqi military operation, which went unannounced at the time.

The news from Ankara says that the Kurds were trying to set up an independent state of their own in eastern Turkey which would also include Iraqi and Iranian lands, thereby making use of the continuation of the Iraq-Iran war. There is no source given for these reports. However, it is likely that they came from the trial of 574 Kurdish detainees who belonged to the Kurdish Workers Party. The trial lasted 2 years and one month. The Kurdish Workers Party is seeking to set up such an independent state in eastern Turkey, where there is little respect for the central government, due to the listlessness of the police force, which has been corrected by bribery. The long trial ended on the 24th of last May, with verdicts being issued calling for the execution of 35 of the accused, life imprisonment for 28, though this was limited to 25 years for ten of them, because they were minors; 333 others were given limited terms of between 3 and 36 years. The 178 others were found innocent. The charge of which they were all accused was "the formation of armed gangs" to incite "division of the national territory" and the practice of "terrorism."

The date on which the Turkish military campaign began was not precisely noted. However, Western reports confirmed that it started on the evening of the day following the issuing of the verdicts, while, according to the Iraqi ambassador in Ankara, the green light for executing the operation came from Baghdad on Thursday the 26th of last month.

According to information in the possession of AL-MAJALLAH, the operation began while several thousand armed Kurds were crossing Turkey on their way from Iran to Iraq. This is a path which the Kurds have followed many times and on which many incidents have happened, the most prominent of them being one which happened a year and a half ago. On that occasion, Turkey seized weapons whose value was estimated at about \$20 million. They included artillery, mortars, kalashnikov rifles, spare parts and ammunition. At that time, the Turkish authorities exhibited selections from these weapons to local and international journalists. The size of the Turkish campaign was not larger than the Iraqi forces occupied by the war on the eastern front. The number of Turkish forces who penetrated the front did not, even according to the highest estimates, exceed 4000 soldiers. This is a number which does not amount to anything in comparison with the Iraqi concentrations on the Iranian border, which more than once have reached around 100,000 soldiers. However, what kept the Iraqis from

undertaking the operation by themselves was the atmosphere of detente existing between the Iraqi government and some Kurdish factions, a factor contributed to two months ago by an order from the central government to free the Kurdish prisoners and allow the Kurdish soldiers to withdraw from the Iraqi army in the midst of these difficult circumstances and return to their homes in the north. AL-MAJALLAH has learned that the Iraqi government's dialogue with the Iraqi Kurds has made noticeable progress, despite the Iraqis' reserve and desire to wait for an acceptable form in which to announce the new understanding. This atmosphere of detente was behind the accusation levelled by the Iraqi Communists against the Kurds of Jalal al-Tilbani to the effect that they had struck a cruel military blow against the Communists' positions in the north in coordination with the Baghdad government. Al-Tilbani's party refrained from comment. The result of the Kurdish attack was the killing of 70 communists.

### The Iraqi-Kurdish Dialogue

The subject of the dialogue between the Kurds and the Iraqi government is the 11 March 1970 announcement in which the Iraqi government granted the Kurds autonomy in the north. After it delineated the autonomous zone, it allowed the formation of an elected legislative body and the setting up of an executive council to administer the affairs of the region in their entirety, except for the two areas of defense and foreign relations. The 11 March announcement was followed by the appointment of a Kurd as one of the vice-presidents of the republic. In addition, five portfolios in the central government were reserved for the Kurds, they were granted cultural rights, and the Kurdish language was made a second official language in which newspapers and publications could appear and which could be taught in the schools.

For its part, Iraq applied autonomy. The current vice-president of the republic is Taha Muhyi al-Din Ma'ruf, a Kurd. The current government includes five Kurds, and Kurdish is an official language in the northern region. However, the Kurds did not accept the agreement, and Mullah Mustafa al-Barzani continued to lead their rebellion against the government and its forces until the 6 March 1975 agreement was reached in Algiers between the Shah and Saddam Husayn, who was then vice-president. On the basis of this agreement, the Iranian artillery support for the Kurdish Peshmerge forces ceased. The defenses of the Peshmerge collapsed in front of the Iraqi army's advance and the rebellion was wiped out. Thereafter, the Kurds turned away from the style of total confrontation, according to which they would sometimes concentrate 50,000 fighters, to guerilla warfare, which began to be launched in the difficult, mountainous areas and from the "Wadi al-Ahzab", which has, since that time, become a refuge for those fleeing and rebelling, from among the Turkish Kurds, the Iraqi Communists and the Iranian dissidents (the Feda'iyeh Khalq).

Arab sources say that closing the Turkish door in the face of the Kurds will make it easier for detente to be re-established between the Iraqi Kurds and their central government, despite the rumors that the disaster which has struck the Kurds might make them more determined, eliminate the disputes between them and solidify their rebellious and oppositionist positions.

In reality, this is the third major defeat in 8 years to strike the Kurds scattered among five neighboring nations: Iraq, Iran, Turkey, Syria and the Soviet Union.



The first of these defeats happened in 1975, when the forces of al-Barzani, a general in the Russian Red Army, collapsed in front of the Iraqi government's forces, which regained their control over the north and reasserted their authority there.

After that, the Kurds turned to the Iranian front, deriving benefit from the shaking of the Shah's authority in 1977 and the weakening of the Iranian army's forces. The Iranian Kurds hurriedly trained several thousand armed men in six months who were led by the Iranian Kurdistan Democratic Party. The party in turn was headed by 'Abd al-Rahman Qasemlu, a former professor of economic planning at the University of Prague and a visiting professor at the Sorbonne in Paris who was bound to the Iraqi government by firm bonds of friendship. However, he comments on that by saying that he was fighting Khomayni before the Iraqis, and perhaps will continue to fight him after the Gulf War comes to an end.

The bad security situation and the attacks against barracks helped the Kurdish movement of armed rebellion, which supplied itself with all the arms and ammunition it needed from the magazines of the army in the region. It announced the Iranian Kurdistan was a liberated region. Khomayni immediately accused Qasemlu and his ally, Shaykh 'Izz al-Din Husayni, with treason and started a campaign by the Revolutionary Guards to regain control over Kurdistan, which, however, did not achieve important successes. The city of Sanandaj entered history as the capital of Iranian Kurdistan, just as has Mahabad, in which the Kurds set up a republic in 1926 after the Russians withdrew from northern Iran which lasted less than a year before the Shah of Iran easily destroyed it.

The Kurdish rebellion continued to roll along until the Iranian authorities were forced to submit an autonomy program for the region of Kurdistan, which the Kurds rejected in no uncertain terms. They continued their armed confrontation with the forces of the Iranian regime until September 1981, when the government's forces occupied Mahabad and began, using it as a base, a campaign of pursuing the Kurds toward the north and west, and so toward the Turkish border. They wiped out the armed Kurds' fixed positions and turned them once again away from the style of comprehensive confrontation which makes use of large concentrations and toward guerilla war, which is based on limited hit-and-run operations.

In the course of the Iranian campaign 2 years ago, the Iranian soldiers were forced to enter Turkish territory while hunting down the fleeing, armed Kurds. They met resistance from the Turkish border guard, which lost some soldiers at that time. Since then, the conflict which used to plague the Turkish and Iranian governments due to the porousness of the border region, especially in Haqari, has ended.

Cooperation between the Turkish and Iranian governments in the suppression of the armed Kurdish movement has continued. This year has seen more than one cooperative gesture from the Turkish side, which, a few months ago, refused to let the Kurdish Dari clan enter from Iran, thereby facilitating a strike against its armed men and the killing of its leader at the hands of the Iranian forces. In addition, two months ago it expelled a thousand Iranian-Kurdish refugees from Turkish territory in a good will gesture toward Iran.

## Turkish Neutrality

Turkey is staying neutral in the war which has been raging between Iran and Iraq since September 1980. It has good relations with both parties to the conflict. Some time before this year, its territory was an area where exchanges of wounded Iranian and Iraqi prisoners took place. However, the recent military operation was not favorably received by the Iranians. In addition to the fact that Turkey did not coordinate the affair with Iran, the Iranians expressed displeasure at the Turkish forces taking on such a task, which let the Iraqis withdraw some forces from the Turkish-Iraqi border for this purpose. In addition, some of the Kurds against whom the operation was undertaken were allies of Iran who received help and encouragement from it and carried out special operations for it. This goes back to the state of disarray which has gotten worse since the death of Mullah Mustafa al-Barzani 4 years ago and has led to the birth of more than 20 Kurdish organizations which waste their combative efforts in tribal wars and struggles for influence. Libya, whose president, Colonel Mu'ammarr al-Qadhafi, has announced his enthusiastic, blunt and public support for the creation of an independent Kurdish state, has tried to help put an end to this disarray. It issued a call for a conference which included the various Kurdish organizations and was held in Tripoli last April. However, the Kurds' conflicts prevented a solution and caused the failure of the conference.

Has the recent Turkish military operation destroyed the Kurdish dream which was born in 1920, when the Treaty of Sevres, concluded between the Allies and Turkey, gave the Kurds the right to set up an independent state? It was Turkey that frustrated this dream in 1923 with the Treaty of Lausanne, which felled the idea of an independent Kurdish state, as well as with the rule of Kemal Ataturk, who forbade the use of the Kurdish language and the use of the words "Kurds" to refer to mountain Turks. The magnitude of the Kurdish losses in the recent Turkish campaign amounts to a disaster for the Kurdish armed movement. The belief is widespread that this movement will not be able to be revived soon. As for the dream, it will remain as long as territorial conflicts remain sharp in the Middle East.

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OPPOSITION, GOVERNMENT PROPONENTS DEBATE DEGREE OF FREEDOM IN COUNTRY

Marxist Predicts New Repression

Cairo AL-AHALI in Arabic 11 May 83 p 5

[Article by Dr Fu'ad Mursi]

[Text] The recent attack on the opposition has brought us back to the atmosphere or climate that preceded September 1981. The opposition press has been exposed to the charge of "departing from the goal of the free expression of opinion and of immersing itself in objectionable practices." The opposition parties and forces have been accused of "going to excess and being arbitrary in the use of rights, and of a lack of balance between rights and duties." The general ignorant charges which have been leveled against the opposition, ranging from the neglect of objectivity and of the public interest, and using the rejected technique of provocation and calumny against the Egyptian people, their struggle and their values, to the blame and censure of the opposition for failing to play its part as the government imagines it, to the articulation of warnings, notice and admonitions, and even threats, against the opposition, parties and individuals, have become numerous.

The time has come for us to pause before this unjust attack, so that matters will not carry everyone away into something that is worse.

In my estimation, it is necessary to debate the government's notion of its opposition. In the view of the government, the opposition has a specific role which it is not to go beyond, while in our opinion such a role would turn us into a nationalized opposition, one owned by the government itself.

The Role of the Opposition, in the Opinion of the Government

The government considers that the role of the opposition is confined to discussing issues which are not considered "national" ones. The opposition has no right to these national issues at all. If the opposition does address itself to non-national issues, its task will be confined to the presentation of ideas and solutions to the government. At that point, the opposition will be a model one.

Examples of the national issues which the opposition is not permitted to discuss are all foreign policy issues, issues of war and peace, and Arab issues. Al-Sadat also used to consider anything that infringed on his person and status and was aimed at opposing him to be a national issue which was in opposition to Egypt itself.

Mubarak is now accusing the opposition of "failing to distinguish between what can tolerate differences and a diffusion of opinions and what must be the object of consensus, because it is connected to the higher strategic interests of the nation."

If we put all national issues to the side, the opposition is expected to address itself to other issues in terms of execution and method of execution only. Mubarak, in his latest speech, said "The government is carrying out a 5-year plan. A party comes and tells you, 'The manner in which you are carrying out such and such a project is wrong.'" He found fault with the opposition on grounds that no one in it offered advice or counsel, and added "You have a recommendation; tell us your recommendation; help the government out."

#### The Role of the Opposition, in Our Opinion

It is clear that the government's notion of the role of the opposition is a newly devised concept of the party system, the parliamentary system and the democratic system, or a notion which is peculiar to Egyptian rulers alone. It is a "detailed" notion aimed at enabling them to rule permanently and forever. It is therefore an erroneous notion. Parliamentary democracy is founded on the existence of numerous parties speaking for a multitude of classes in the society. Sometimes two or more parties speak for a single class, if the classes, groups and sections within them are numerous, as both the Democratic and Republican Parties speak for the capitalist class in the United States. Along with the proliferation of classes, there are diverse interests, and parties differ and proliferate. Each class, through its own party, seeks to have its point of view prevail through public elections which lead to parliament, competes to win the confidence of the voters, and consequently strives to rule so that it can put its own view into practice and defend its own interests. In other words, the parties act as competing organizations for acquiring power, and the masses of the voters alone, and no one else, are what decide this competition.

#### National and Non-National Issues

Each class, I mean each party, has its own view of matters in general. There is no issue which could be said to be a national one or issue which could be said to be a non-national one: all issues are national and general, and the party is preoccupied with them because they preoccupy a given class or even a small segment of that class. There naturally are matters over which no two Egyptians will disagree, such as sacrificing oneself for the nation, defending its safety, the unity of its territory, its inhabitants and its Nile, and defending its independence.

However, we disagree absolutely over the means to these ends. Al-Sadat, for example, considered that they were all connected to the alliance with America and at times the Atlantic Pact. He went so far as to promise to pipe Nile water to Israel. We differed with him, and still differ, over the means for the country's security.

There also is respect for the legitimacy under whose aegis the parties operate -- respect for the constitution and the laws and respect for public order and

public morals. There is no dispute over any of this. However, we have the right, while respecting the constitution or the law, to differ with it and to seek to change it by legal means. The constitution is not a Koran or a New Testament. Al-Sadat amended the permanent constitution he had set out a number of times, implicitly or explicitly.

Except for the security of the nation and respect for legitimacy, there are no issues which the opposition cannot discuss. All issues, however minor their status might be, are open to public discussion, from the issue of the sewers to the issue of prices, the issue of liberalization to the issue of corruption, to the greatest issue facing the destiny of the nation.

Is the Opposition Subordinate to the Government?

In the party system, the party is considered a political leader of the class to which it belongs, or of a part of it. As a result of the proliferation of classes and differences in their interests, for instance between workers and capitalists and between landowners and destitute persons, and indeed the differences between the interests of domestic capitalism and those of parasitical capitalism, for instance, parties have proliferated, and their programs have become numerous.

Every program speaks for the vision of a class or even of a part of a class as far as public affairs go; therefore, programs differ from party to party. When the interests of more than one class coincide on one or more points of party programs, that is an expression of unity of interests and unity of vision, and at that point the way is paved to establish a form of unity of action under the name of a coalition, front or other designation.

Therefore it is natural that the program of the Grouping Party should differ from that of the government party. The program of the Grouping Party, which defends the interests of the workers, peasants, government workers and domestic capitalists, must differ from that of a unified party in the hands of the parasitic capitalists, even though there are others in the latter. Therefore we wonder, sincerely:

How can the Grouping Party help the government party or help the government of the party? Our real aid to the government, at least, lies in the following:

First, we propound the problems of the masses which we are defending, and propound solutions to these problems from the perspective of our masses, that is, from the perspective of the workers, peasants, government workers and domestic capitalists. This is the greatest aid we can offer to the government, that is, to have the government acknowledge the problems of the masses, and the solutions to them, from our point of view. We have done that repeatedly, indefatigably, not only because we want to help out the government but because if we fail to that will be a contemptible abandonment on our part of our masses and of our prime mission toward them.

Second, we are habituating the masses to political action, that is, the adoption of political channels and political forms for responding to the problems of the masses and answering their demands, instead of turning into

professional advocates of the rejection of politics and political action and of the promotion of all forms of intellectual and nonintellectual terrorism and different forms of terror and countervailing terror.

We have acted in this way constantly, and have continued to do so assiduously and loyally. This has been our aid to the government. The fact is that it is the government which is not helping itself out, first, when it it refuses to admit the real nature of the masses' problems, again, when it fights against political action and persecutes it, and thirdly, when it rejects the solutions which we propound, speaking for the masses' interests.

Instead, the government asks us to offer it advice and counsel so that the parasites can continue with their tyranny and so that power can continue to be in their hands. That is something we will never involve ourselves in. It is not the Grouping Party's mission to strengthen the power of the parasites in Egypt. It is not the Grouping Party's mission, either, to spread about fear, terror and the incitement of various classes. Its mission, rather, is to express the common interests of the workers, peasants and domestic capitalists in this historic stage of development of the Egyptian revolution in a context of parliamentary democracy founded on the proliferation and competition of parties.

#### A Deficient Democracy

It is clear that the secret of the government's position on the opposition, and its erroneous, naive conception of the role of the opposition, is its comprehension of the origins of democracy. Democracy, in the view of the government, is a gift which it has given to the people. Naturally the government does not declare this fact, but it discloses it from time to time in statements of another kind which al-Sadat would make on many occasions. This is the famous expression "I have not infringed upon democracy," as if it was his right to infringe upon it. (Still, he waived his right to infringe upon it.) This grievous expression revealed a totally obvious notion, which is that democracy is a gift from the ruler to the people, and the ruler can withhold it from his people at any time. That is a notion which the kings of old embraced; the English revolution, then the French revolution, corrected it, and no ruler in our era goes back to it or makes the least reference to it anymore, unless he thinks that democracy is not part of the character of man. Dictatorships and fascist regimes might embrace this notion; our system of government rejects dictatorship, but not fascism: it ought not to be dictatorial or fascist.

Therefore there has been a return to the concept that prevailed before September 1981, and the secret behind that is the fact that the democracy is deficient. We might have freedoms that do not exist in most of the Arab countries around us, but the comparison here in effect demeans the Egyptian people, who have spent about 4 centuries trying to implant the rule that the Egyptians are the source of all authority. In the course of the past century, since 'Urabi's revolution, the people have made every sacrifice for the sake of implanting and deeply establishing their democratic freedoms, and nonetheless at the end of the journey a threat arises from time to time which is based on the notion that our freedoms are a gift from the ruler which he can appropriate at any moment, and that is the height of instability.

## Two Kinds of Freedom

Al-Sadat began his rule by approving the people's right to freedom. In 1976 he accepted the establishment of platforms, then political parties. However, he started to appropriate them in the wake of the events of January 1977 and the acts of appropriation escalated until the coup of September 1981 took place. All during al-Sadat's rule, the Egyptians had to distinguish between two types of freedom: freedom of opinion and freedom of action. There was a partial concession of the freedom of opinion, but freedom of action was prohibited. There were no mass meetings or mass demonstrations, no mass strikes, and no additional parties. When there was freedom of opinion, and that turned into freedom of action at the hands of the masses, it was repressed most violently. Then the events of September blew away whatever freedom of opinion remained.

Mubarak's initial act was to announce the restoration of the recognition of the opposition. Contacts were started which did not in reality constitute a dialogue between two parties. The party papers opened up and became the most important tool of political action in the hands of the opposition. In spite of that, the freedoms of the opposition did not go beyond the realm of freedom of opinion. Freedom of action continued to be prohibited, and there was a legal excuse, namely martial law.

We are afraid that the countdown has begun. Freedom of opinion in the Lawyers' Union, and even its legitimacy, have been appropriated by a law which was issued in 2 days. The freedom to write has been prohibited in the case of former men in the government for a period of 20 years. The prohibition was issued by a law which was issued in a few hours. This is to say, we have returned once again to the appropriation of freedom of opinion, now that they have appropriated the freedom to engage in activity from us at the beginning, and the legislative instrument is always used to impart legitimacy to every act of appropriation of people's freedoms.

In whose interests are these matters being escalated and pushed to the point of no return?

We know that a violent crisis is starting to strangle the country. In particular, the economic crisis, thanks to the policy of the government and its party, seems to be too intractable to solve. There are numerous forces domestically and abroad that have an interest in having conditions continue as they are, if not in having them get worse. These forces are exerting pressure with the objective of creating fear of the people, the opposition forces, and the parties of the opposition. Their objective is further deterioration in conditions and blatant recourse to the style of oppression, the appropriation of people's freedoms and the disciplining of the opposition -- I mean the elimination of it. They allege that that will make the people more obedient in the hands of the government.

We do not want to use the method of exhortation and guidance here. We do not want to remind people of the events of 6 October 1981. However, we do want to say just two things.

The first thing is that we are not speculating in the deterioration of conditions, but that we are striving for reform and are seeking to save what we can.

The second is that a devout person is not hurt by the same stone twice, whether that devout person is you or us.

#### Pro-Government Magazine Promises Freedoms

Cairo AL-MUSAWWAR in Arabic No 3058, 20 May 83 pp 4,5

[Article by Makram Muhammad Ahmad]

[Text] It is not yet clear why some opposition groups are insisting on returning to the political climate in Egypt a state of tension which has lost its original justifications or true reasons.

It is not yet clear why some opposition groups are insisting on mixing their vision of two phases of government between which, it has become clear in a manner that will not tolerate the least doubt, there is a difference -- why there is this permanent mixup, deliberate on most occasions, between the Egypt of yesterday and the Egypt of today, in spite of the difference in vision in goals, and why there is anger from the opposition when Mubarak calls on everyone to pause to reflect within themselves in order to preserve democracy, now that the climate has suddenly become laden with the dust of side battles whose scope our old rancors have helped expand.

Finally, it is not clear why some people's anger should become intensified when the man says that there are basic issues which must be the object of national consensus in the context of the democratic process which we have all come to accept as an ultimate option in our political life.

What has happened to the opposition, that its reactions should take this exaggerated form?

The Grouping Party, in a surprise article by Dr Fu'ad Mursi, considers that there is nothing now to justify that there be a minimum of agreement among all nationalist forces on what might constitute national issues. That, from my point of view, means that the opposition is refraining from expressing its view on all problems, because the most trivial Egyptian problems, in some respects, are national ones.

In his article, he considers that the countdown to the political climate that dominated in Egypt in September 1981, when all opposition forces were detained as part of a broad campaign of arrests which had as its target the extremist religious groups, has started, and therefore, or so considers Dr Fu'ad Mursi, freedom of expression is no longer enough to cope with the coming difficult days, and what is needed is freedom of action. If Dr Fu'ad Mursi has not totally revealed his notion of the meaning of the freedom of action he is calling for, the party paper did explain part of it, when it published another article, under the one he wrote, calling for the legalization of strikes in



Egypt because strikes have become legitimate in the capitalist and socialist systems.

I do not want to ask the Egyptian left about the fate of the strikes that have occurred recently in the Soviet Union or the fate of the people who held them, because others have repeatedly asked it that question.

I do not want to ask the Egyptian left its opinion on the workers' strikes in Poland and the fate that befell the Solidarity Union, because I know in advance that the workers' strike in Poland, from the standpoint of numerous detachments on the Egyptian left, is a conspiracy whose threads lead to the West, which is trying to break the bonds of the Eastern bloc.

I do not want to pause before these details, in spite of their major significance, lest the Egyptian left think that I am comparing its positions with others outside the country, which is not my idea. However, I am amazed over the spirit of impulsiveness which is almost the dominant tone now, in the press of the Egyptian left, as if the party has the intention of pushing matters into a crisis, in keeping with the vision of some elements which consider that they can gain more in an atmosphere of tension and conflict than they can in a climate of national alliance which surges forth on a democratic basis and all of whose forces join ranks to carry out the comprehensive development which is alone the Egyptians' means toward welfare and a better life.

Unfortunately, many of the positions of the left, which are unjustifiably impulsive, are close to the positions of some of the leaders of the Labor Party, who consider that the regime in Egypt has reverted to the use of the same lexicon which was used in September 1981, and that the coming days will bear ill omens that call for apprehensiveness rather than confidence.

I do not know why the Egyptian left, in the words of Dr Fu'ad Mursi, considers that the countdown to the climate of September has actually started and why the Labor Party, in the words of its leaders, considers that there is a return to the use of the political lexicon which was used in September 1981.

What in the statements Mubarak has made can lead them to these conclusions, unless it involves a sort of protective attack which the opposition is launching so that its numerous excesses will not be the subject of criticism from anyone, especially as regards those excesses which assumed the style of dialogue which has descended to an ignoble and inappropriate level?

What has the man said? He has said, most clearly, that it was his duty to warn everyone of the gravity of the current excesses, in order to protect democracy, which is no longer just an experiment but has become the process of life and a final option from which there is no retreat or return.

What in the things that are going on in the wings could have given rise to any of these alarms that they spoke about? To the contrary -- what has been at issue, and still is at issue, is the deepening of democracy and the reform of its instruments.

The dominant approach has been, and still is, to link elections by absolute lists to proportionate lists and return to district elections so that everyone will have equal opportunities.

The unquestionable approach has been, and still is, to reject all forms of administrative interference in the coming elections, because no one expects a consensus of up to 99 percent.

If the opposition has chosen this impulsive tone for its papers recently, because it feels that it can benefit from the coming elections, especially in the case of people who did not obtain a single seat in the previous elections, why, then, the intimations of the climate of September? Why the insistence on putting the issue of security in opposition to the issue of democracy?

September, by all criteria, was a common mistaken effort on the part of the regime and the opposition both, and if we indeed insist on an objective view of what happened, we cannot today distinguish the events of September, with their disgracefulness, harshness and illegality, from the long preliminary process which led to them, starting with the events of January and going up to the problem of factionalism.

The incontrovertible guarantee that September will not recur lies in the fact that we are going through a stage which is different from that of the previous regime, a stage which has determined its total identity in a way that is wholly different from the one which existed previously. In fact, it is certainly a stage which in its identity differs from the identity of the government in Egypt over the past 30 years: unfortunately the opposition on many occasions is still mixing up the Egypt of yesterday and the Egypt of today, although the new identity is clear.

Perhaps the source of this confusion is the fact that the change that is desired has not assumed a dramatic, sudden nature, but has come about in a cumulative manner, step by step, so that its different stages have become rounded out before all our eyes, while some people are still wondering about it, perhaps because they have become accustomed to a sort of deep stability from which they can be awakened only by a dramatic decree or a sudden shock. Perhaps it is because they view change entirely from their own perspective. Perhaps it is because they have imagined since the beginning that change must lie in the people, not in the climate.

Perhaps the source of this confusion also is that the change that occurred in the regime was not matched by the change in practices and action that had been expected of the opposition, so that it would be more in harmony with the new stage, adding to its wealth and ability to face a legacy whose disgracefulness and burden we are all familiar with.

The change desired was one of circumstances and climate more than of persons, because any new persons will in the same circumstances and climate proceed in the same direction as others traveled before them. A new leaf and new relations founded on a basis of dialogue were required -- a leaf which would reunite the nation, not alienate anyone from Egyptian nationality because of a difference in ideas or opinions, a leaf which would appeal to the labors of all and the thinking of all.

It is not in the capacity of anyone to deny that the release of those thousands who were detained in September 1981 meant a new leaf which even embraced the persons who had taken part in Islamic groups whose extremism was intellectual, provided that they had not involved themselves in crimes which are subject to judiciary review.

Action alone should have been the proper criterion of every value in the society, and the building up of Egypt should have been a goal which took precedence over all else, because it is not the Americans, the Soviets or our brother Arabs but rather the Egyptians alone who bear the burden of building up their country. That would not have been possible unless a spirit of affiliation had prevailed in the society, and it would not have been possible for a spirit of affiliation to prevail in the society unless it had cast off the manifestations of hypocrisy, aberrance, corruption and social laxity of all forms.

When the spirit of the society changed, the old symbols started to fall, one after the other, and the change in persons occurred.

The regime of the present is not to be distinguished from the previous phase just by the change in political climate or the disappearance of some of the persons who represented the former symbols of the previous stage; rather, it is also to be distinguished by more serious policies for coping with the economic problem, which had become aggravated to a fearful degree.

The notion of liberalization in itself was a correct one: the error was that the liberalization assumed a consumerist appearance which afflicted the Egyptian economy with severe disruption as a result of increasing reliance on imports from abroad, to fulfill increasing consumption needs, so that the value of debts rose to \$18 billion. The debts in themselves are not a matter to be condemned; what country in our world today does not rely to some extent on loans? Perhaps the debts of some industrial countries are more burdensome than those of some countries of the third world. Rather, the problem is that we in Egypt went into debt to eat, not to build. There was a neglect of investment in the productive area, whether agricultural or industrial, with reliance on imports in agriculture, which did not exceed a 2 percent growth limit, because we let expansion in construction eat up about 1 million feddans of farmland without any real investment in replacement land.

In industry, the public sector, whose capital totals 30 billion pounds, which contributes 30 percent of gross national product annually, and in which more than 1.5 million laborers work, suffered from a terrifying obsolescence which encompassed 70 percent of its equipment and means of production. In brief, it was slowly expiring while no one extended it a helping hand, and the private sector, in most of its new activity, turned toward the field of commerce, toward commerce in imports, which ate up all of Egypt's foreign currency resources, vast as they were at that time. It was not easy to correct this economic disruption, with its profound repercussions on Egyptian society, since new groups had arisen which were capable of becoming rich in no time at all.

The incomes of other groups, such as some professionals and all craftsmen, also increased, at rates greatly above those of the increase in prices, at a

time when government and public sector employees were in an inflexible situation where high prices were squeezing them with every passing day.

Perhaps the most important advantages of the stage of the current regime is that it has put the economic problem in its proper context and put it at the top of the list of priorities: for the first time since 1965, there is a 5-year plan, whose investments come to close to 6 billion pounds per year, whose task is to rectify the economic and social disruptions which the recent years have brought to the fore.

It is a plan to restore equilibrium to the Egyptian economy by concentrating on investments in the two productive areas of agriculture and industry and it is a plan which will also confront the terrifying obsolescence which has embraced 70 percent of public sector factories, and will confront the nearly total collapse in utilities and services that resulted from negligence in their renovation over the past 30 years because of the burdens and commitments of war. Along with all that, it will confront the problem of 400,000 young Egyptians who graduate into the labor market each year in search of work through which they can realize their talents.

The appeal to opposition parties to devote attention to the issues of development in Egypt does not mean, as some people imagine, that anyone is trying to divert their attention from the other problems related to the democracy of political action.

Totally to the contrary: democracy of political action must in the first place serve the greatest national objectives and those of the loftiest nature, the reconstruction of Egypt. The opposition cannot complain that no one is listening to its voice in this area, or that its ideas are not meeting with a response: the actual situation is different from that. The opposition has made a contribution which no one can ignore in criticizing the policies of consumerist liberalization and warning of the gravity of its negative aspects. However, the opposition's mistake, in this area, is that it mixed up the Egypt of yesterday and the Egypt of today, that it became carried away by erroneous generalizations while it was casting light on the issues of corruption, and that it participated in provocative action, in creating feelings of profound anxiety within domestic capitalism, the necessity of whose role, and whose exceptional importance in this current stage, we all acknowledge, on the left and the right and in the center.

If we are seeking further distinctions between the stage of the current regime and the previous stage, we can see such a distinction in the return of Egyptian politics to its genuine orientations and proper roots, adherence to nonalignment, a rejection of alignment with either of the two blocs, the assertion of the Arab aspect of Egyptian policy, the failure to yield to the fraudulence of Israeli policies, and the expansion of relations with all parties in an effort to establish balanced relations with all. However, the opposition does not see any of these things.

It remains for us to say, finally, that Egypt is in the greatest need now of a new formulation of alliance among its nationalist forces, in a manner which is not based on the co-optation of this alliance to the benefit of a single party

or an individual ruler, but on a democratic agreement among all national forces over what the higher interest which stands above all forms of rancor and limited party interests might be.

What we demand is not heresy, waywardness, or apostasy which has the aim of pulling the rug out from under the feet of the opposition, as the leftwing press imagines. What we demand is simply a necessary condition which must be realized in all democracies that are founded on a pluralism of parties, a condition which is more essential in a developing country which is trying to concentrate all its efforts on coping with the economic problem which is strangling us -- a condition which is all the more essential in a country in which political activity is emerging from the single-party system into the system of a multiplicity of parties, as an almost caesarian birth process, since there has been no other way, and no one has yet been able to assert with authority that the current political forces on the stage are a true reflection of the actual condition of Egyptian society.

Making the process secure, then, is the subject of our national consensus. If there is no agreement over major national issues, where will our national consensus arise from? However, some people are saying today that the current stage demands struggle and internecine combat of us.

September will not return, because no one wants it to and because we are on a different road. It would increase the guarantees that it will not return if the opposition retreated somewhat from its methods of action and practice, so that it would be more understanding of the nature of the government in its new phase.

#### Marxist Rebuts Government Stand

Cairo AL-AHALI in Arabic 15 Jun 83 p 5

[Article by Dr Fu'ad Mursi]

[Text] Mr Makram Muhammad Ahmad has written his weekly article in the magazine AL-MUSAWWAR in response to my article in the newspaper AL-AHALI, which was published under the title "The Nationalization of the Opposition -- Has the Countdown to a New September Begun?" Aside from a certain amount of blundering here or some syntactical legerdemain there, we can say that the response has opened a door to a serious dialogue. In this dialogue, we have received a letter from Makram that consists of three words.

The first word is that September will not return.

The second word is that the Husni Mubarak stage is clearly different from the stage of Anwar al-Sadat, in terms of vision or goals.

The third and final word is that Egypt is in the greatest need now of a new formulation of alliance among its national forces, a formulation which will bring the nation together and will not alienate anyone from Egyptian nationhood.

## Lest September Return

We most assuredly would welcome it if September did not return, but the lessons of history, and experience with life, have taught us that freedom is not protected by the force of statements or the proliferation of promises, but that free peoples protect it, by which I mean peoples who are freely organized in their various parties, unions, societies and bodies, which act freely, also, in defense of their interests. It is of no use for Makram to take a step toward the opposition and say that the responsibility for September lies jointly on the opposition and al-Sadat, nor is it of any use for him to create a contradiction and conflict between security and freedom. That has always been an excuse for tyrants and their natural pretext for burying freedom alive. The British raised it and the palace raised it of old against the Wafd Party, which was the majority party at the time. It is now being raised by everyone whose sleep is disturbed by the thought that a word might be uttered for the people or that any of the people's interests might be realized. Security is protected by freedom, and security is disturbed when freedom is restricted, anywhere on the planet. It is only the other freedoms that restrict freedom, only your freedom which restricts mine. I mean that freedoms restrict themselves by themselves. This is true freedom, responsible freedom. The errors of freedom are remedied only by greater freedom. Thus the experiences of peoples have taught us, and are teaching us, everywhere, east and west, north and south.

Let us put the near and distant past to the side and ask ourselves which of them was more secure -- the time when Husni Mubarak came to power, or the present?

Of course all Egypt is more secure now, and the reason for that is not the solution to the economic problem, which has become more aggravated, or the solution to the national and Arab problem, which has become more complex. The credit for the security citizens feel now does not go to the large number of policemen, the diversity of exceptional laws, or the imposition of martial law; rather, all the credit goes to that degree of exercise of freedoms which the opposition reflects on the entire society, spreading about security and confidence throughout it.

We realize this in Husni Mubarak, and appreciate it. Therefore we tell him explicitly that in order for more security and confidence to be spread about among all the citizens, it is necessary that more and more freedoms be exercised. We are not saying that to implicate anyone, to disturb security, or to make the political climate tense: rather, we are doing it, saying it, and insisting on it because our concept of freedom is that freedom which is indivisible.

Is It a New Stage of Government?

We make a careful distinction between Husni Mubarak and Anwar al-Sadat. We sympathize with President Husni Mubarak, who inherited difficult, extremely complicated conditions, and we sincerely would like to see what Makram Muhammad Ahmad is saying be a fact and the truth. Makram says that the opposition is mixing up two stages of government, whereas he stated, "in a

manner that does not tolerate the least doubt," that they are plainly different in terms of vision and goals.

Does he see this great a degree of difference? Makram adds that the conscience did not assume a dramatic, sudden character, but that it came in increments, step by step, until its various segments were rounded out.

How far has the conscience gone?

I do not need to mention the contents of the statement which the Secretariat General of the Grouping Party broadcast last week. The party has seen, in President Husni Mubarak's term, a new climate and a style different from that of Anwar al-Sadat. He has brought positive new steps to a number of the policies which al-Sadat left behind. However, what has happened, in spite of its positive aspects, does not yet constitute an integrated development which is different (from the standpoint of vision and goals) from al-Sadat's policies. Unfortunately, we see, in practice, only the same policies, without radical change.

The opposition has so far given President Husni Mubarak room. It is looking for his slightest positive features, so that we can present them in the bright light of day. However, the problems will not wait.

The crisis is becoming aggravated on all levels, and indeed is becoming more complex. We are not proponents of government by electric shock, but when conditions become critical to a specific degree, then shocks become urgently needed. Makram says that the change has come in increments, step by step. Regardless of the genuineness of the few steps that have been taken toward change, they are characterized by hesitancy and a lack of firmness. Their speed has slowed and indeed they have stopped. If it is true that change is taking place in an incremental manner, Makram knows that that sort of quantitative incremental movement must come after a qualitative change in policies in the government and in the society. Where is such a change, unless it has occurred and its various segments have indeed become rounded out without any of us knowing it, just as welfare came about one day and no one felt that it had come!

#### The Change That Is Desired

Another point: change cannot be an action from on high on the part of an individual, or even a group of individuals, however good their intentions might be or however great their expertise, the force of their determination, or the firmness of their will. Rather, change is a social process, a mass process, a combative process which takes place in specific, given objective circumstances, and is realized with reliance on specific social forces which have an interest in change, in confrontation with other social forces which do not.

Change, in this sense, is a progressive forward process. It rules out, from the beginning, any process of change that has the objective of going backward or even merely guiding the conditions of government so that the current regime may avoid the jolts the previous one faced.

In the current objective circumstances of Egypt, the forces for change are the group of national forces which are concerned with saving Egypt from its current structural crisis, from subordination, destruction and deterioration. They include the nationalist social classes and groups in the form of domestic capitalism, middle and lower classes, intellectuals, peasants and workers.

The forces which are concerned with keeping the situation as it is, or pushing it back, are the parasitic classes with tremendous economic interests and dominant political influence. They are classes which are not isolated at the peak of society so that it can be easy to uproot or isolate them. Rather, they are spread about within the society and the institutions of government, in which parasitic activity and corruption have become widespread. Finally, they are backed by direct support, which is reflected internally, from foreign forces, foremost among which are the United States and Israel.

Therefore we distinguish between the parasitic forces and the ruling party, which contains elements from all the classes of the society, including workers, peasants and domestic capitalists. It is true that the ruling party is a party on paper which Fu'ad Muhyi-al-Din has taken charge of in an attempt to build up its structure and give it firm support. We support the activation of this party -- the more the masses become involved in it, the more vitality it will acquire and the more it will be able to reflect the movement within society, with the conflict that that entails. However, the regime is not in the hands of the bulk of the ruling party -- rather, it is in the hands of the parasitic minority which is raising Sadatist slogans. One can, in order to set it apart, name it the Sadatist party.

The struggle going on in Egyptian society now is between the national forces, and their parties and leaders, and the parasitic minority, its Sadatist party, and its American-Israeli backing. What is new now is that in the face of the combative activity of the nationalist forces, especially since the advent of Husni Mubarak, the Sadatist party has been rallying its forces and preparing itself to attack, I mean counterattack.

What is new also is that liberal, technocratic domestic capitalism, which had taken flight from al-Sadat at the end of his regime, thus giving warning of the end of his regime, has now started to review the support which it had given to President Husni Mubarak when it had hoped that he would have the ability to lead the desired movement of change.

Makram Muhammad Ahmad says that no one can yet authoritatively state that the political forces on the stage now are a true reflection of the state of Egyptian society. That is totally correct, and the reason for that is well known. The two basic freedoms, or instruments, for determining and crystallizing political forces have been absent. These two freedoms are the freedom of party organization and the freedom of elections. In their absence, what now prevail are surmises about the true nature of the political forces. Therefore, we can confidently inform our brother Makram of the following frightening fact, which is that the Egyptian opposition is much vaster than the party opposition which exists now. The official parties are not accommodating all the opposition, and that is a matter which prompts one to insist that the freedom to form parties be rapidly granted.



## On the Side of Domestic Capitalism against Parasitic Capitalism

Makram chides the opposition for not having changed its style of action and activity of the days of al-Sadat, so that it could be more in conformity with the nature of the new stage. As an example of that, he states that the opposition, in its attack on corruption, provocatively contributed to creating feelings of deep anxiety within domestic capitalism. Anyone who tries to shuffle the cards, who confuses domestic capitalism with the parasitic minority, is committing an egregious error. Parasitic capitalism [sic], in its totality, is engaged in and preoccupied with agricultural and industrial production in all its aspects. It is opposed to the parasitic minority which does not produce but lives parasitically on production and exploits the people who are engaged in it, including domestic capitalists, closing off their avenues to work, profits and stability, and spreading about the pursuit and advancement of corruption in all the departments of the government and activity. The middle classes in Egypt are in almost total agreement on two things, the rejection of the exceptional measures and the demand for the liquidation of corruption, not out of self-indulgence but rather because these are conditions for their proper pursuit of their work, conditions for success and the realization of profits.

When the Grouping Party presented its economic report to the economic conference in response to President Husni Mubarak's invitation, we stated, most explicitly, at the end of the report, "We have not tried to set out a program to build socialism or a program for a transition to socialism; rather, this is an urgent program to stop the economic deterioration and guide economic management in the current framework of the society." Thus we stated that we were trying to guide the Egyptian economy within its current capitalist framework and to transform it from a parasitic capitalist economy to an upright capitalist one. Why the talk about the provocation of deep anxiety within domestic capitalism? The parasitic minority is exploiting domestic capitalism, blocking off its ways of making a living and spoiling its climate of activity. It is defrauding everyone in an attempt to impose its policies and its positions. If not....

## Welcoming the Alliance of All Nationalist Forces

We make a careful distinction between domestic capitalism and parasitic capitalism. We put domestic capitalism, in general, within the ranks of the nationalist forces fighting the parasitic few. If Makram Muhammad Ahmad is asking for a new formulation of alliance among nationalist forces and new relations in their structure, founded on a basis of dialogue, so that they will rally the nation together and not alienate anyone from Egyptian nationhood because of differences in ideas or opinions, we tell him welcome, welcome to the alliance of all nationalistic forces, welcome to a meeting of minds on a national program for the struggle against subservience and corruption, for the sake of democracy and welfare.

Here one must not confuse the country's national issues with the existence of a minimum of national consensus among all the nationalist forces on their resolution. The isolation of the parasitic few, prior to their liquidation, is a national issue, and it is also a demand over which all nationalist forces

in the country must agree. The rejection of the grant of bases and military facilities to foreign countries is a national issue, and a demand that all nationalist forces in the country must be unanimous about.

When Husni Mubarak refused to give the Americans Ra's Banas as a military base, we considered that a proper step toward the rejection of subordination to and alignment with foreign forces, and an affirmation of national sovereignty over Egyptian soil.

However, we ask our friends: Is integration between Egypt and the Sudan a national issue, or a party one? If it is correct that it is a national issue, how could it have been that we chose 60 Egyptian citizens to represent Egypt in the Nile Valley Parliament, and not a single citizen was a member of the Grouping Party? Who is making party considerations prevail over nationalism, and party selfishness over national responsibility?

We stress again Makram's appeal for an alliance among nationalist forces and we declare that alliance means agreeing and differing. In the context of alliance, every party must preserve its distinctiveness from the others, at the same time in which equality must be achieved among all parties.

#### The Heroes of Lost Opportunities

Makram Muhammad Ahmad held the view that the Egyptian left is the hero of lost opportunities. It appears that his notion of "opportunity" differs from ours. To him, the notion is unconditional agreement to what the government propounds, any government, even the policies al-Sadat propounded against us.

We are afraid that the time has come for us to tell Makram and his friends that they themselves are fated to become heroes of lost opportunities. The time has come in the face of the constant aggravation of the country's crisis to resolve the hesitation about policies, the vacillation in positions, and the swings between one step forward and two steps back.

Finally:

From the first moment of President Husni Mubarak's advent to power, the masses stood up, with their spontaneous sensitivity, to support him and wait for him to turn toward them. In spite of everything that has happened, the opportunity still exists, and it must not be lost.

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CIRCUMSTANCES SURROUNDING NPUG OFFICIAL'S RESIGNATION DISCUSSED

Riyadh AL-YAMAMAH in Arabic No 756, 15 Jun 83 pp 38-39

[Article: "Why Did Al-Jamal Resign? Did He Resign To Form a New Party or Was He Afraid of Going Down with the Grouping Party?"]

[Text] Last week Cairo's official newspapers forgot all their interests and chronic worries and focused attention on one event: Dr Yahya al-Jamal, vice president of the opposition Grouping Party resigned from the party. In a flurry of provocative headlines Cairo's newspapers offered this news to its readers as though it were indisputably the event of the season. According to some newspapers that event meant "a fatal blow had been dealt to the leftist Grouping Party." To say the least, "a serious split had occurred within the ranks of that party."

Newspapers vied with each other to uncover the reasons for this explosive resignation. One newspaper said, "Yahya al-Jamal resigned to protest communist control of the Grouping Party. Another newspaper said that he had resigned to protest the control that the "Gang of Four" had on the party. The newspaper alluded to the names of the members of this gang but did not name them. They are the two sisters, Faridah and Aminah al-Naqqash; the husband of the former, who is Husayn 'Abd-al-Raziq, the editor-in-chief of AL-AHALI which is the organ of the Grouping Party; and the husband of the second, who is Salah 'Isa, a staff writer for AL-AHALI.

A third newspaper affirmed that the only reason why Dr al-Jamal had resigned was to protest the fact that in recent weeks AL-AHALI had been turned into a newspaper that spoke for Muhammad Hasanayn Haykal and defended his book, "The Autumn Fury." The newspaper was not speaking for the Grouping Party.

Yahya al-Jamal himself wrote his resignation [and gave it to] Khalid Muhyi-al-Din, the president of the party. The resignation consisted of one line: "Please accept my resignation from the National Progressive Unionist Grouping party." Al-Jamal did not mention a single reason for his resignation. When prodded by some official newspapers to speak candidly about the reasons for his resignation, he beat about the bush and talked about one and only one reason. "After 7 years since the Grouping Party was founded there has been no interaction or understanding between the various political factions that are included in this party. These factions are the Marxist faction, the National faction and the Nasirist faction. In the absence of such interaction or understanding the Marxist faction became the predominant one in the party because the members of this faction are more energetic and more effective."

The fact of the matter is that what official newspapers said about the resignation of Yahya al-Jamal and what Yahya al-Jamal himself said about it are as far from the truth as anything can be. After everything that has been written and published about it, the subject of the resignation is still a major puzzle surrounded by secrets, question marks and bewildered questions.

A question that is being asked states the following: "What is the secret behind this great joy and welcome with which official circles and official newspapers heralded the news about Yahya al-Jamal's resignation?"

Another question asks, "Did these official circles know beforehand, months or weeks earlier, about the news of the resignation?"

There is a third question: "Does the resignation actually mean the Grouping Party is collapsing or that a serious split is occurring in its ranks, since it is considered one of the most dangerous lawful opposition parties?"

What is the next step that Dr Yahya al-Jamal is thinking about taking after his resignation from the party?

In order to unravel the mysteries of this resignation and answer all these questions, we must relate "the secret story" of how Dr Yahya al-Jamal's relationship with the Grouping Party evolved. This is the story that no one has yet touched.

No one is denying the fact that Dr Yahya al-Jamal is one of the first founders of the Grouping Party. He was chosen president of the party's political committee and vice president of the party since he represents the National faction, which is one of the three factions that make up the Grouping Party.

No one also is denying the fact that these three factions, which are the National faction, the Nasirist faction and the Marxist faction, have not so far interacted with each other or come to a full understanding in the context of the party. Personal matters of a sensitive nature are still tarnishing relations between these factions.

This, however, did not prevent the fact that most party decisions were unanimous; they were decisions made by those leaders representing the three factions. For 7 years Dr Yahya al-Jamal in particular used to be the first one to approve of all party decisions and positions. Yahya al-Jamal raised no objections in any of the party's meetings, nor did he ever express reservations about a decision that had been made by the party. Furthermore, as chairman of the political committee Dr al-Jamal used to take part in formulating the party's most important decisions and historic statements. Even after he resigned Dr al-Jamal did not try to disavow or repudiate any decision or position that the party had taken.

Why then did Dr al-Jamal resign when he had never disagreed with the party?

The roots of this resignation actually go back to 1981 when relations between the Grouping Party and the late President Anwar al-Sadat came to a head. The president was making harsh attacks against the party and was accusing it of treason. It was certain that al-Sadat intended to deal a back-breaking blow to the party and to liquidate its leaders. Dr Yahya al-Jamal admits that it was during

this critical period and in August 1981 in particular that he decided to resign from the Grouping Party. He says that the reason for this serious decision was the political difference he had with the remaining leaders of the party. The truth, however, is that Dr al-Jamal felt that the party was about to go down. Therefore, he decided to abandon that sinking ship at the proper time. Unfortunately or fortunately for Dr al-Jamal, he was overtaken by rapid events that unfolded before he could carry out his decision to resign. In September 1981 President al-Sadat made his well-known decisions to arrest opposition leaders, including the leaders of the Grouping Party. Dr al-Jamal felt it would be shameful to resign under such circumstances.

When President Mubarak came to power and began a policy of appeasing the opposition, Dr al-Jamal felt reassured because by nature he does not like confrontations, particularly if that confrontation is with the authority.

Furthermore, an innocent kind of courtship was begun between Dr al-Jamal and some senior officials in government. There were strong rumors that Yahya al-Jamal and Dr Isma'il Sabri 'Abdallah, one of the Marxist leaders of the Grouping Party, would be appointed in ministerial positions in Fu'ad Muhi al-Din's cabinet. There was nothing strange about that since Yahya al-Jamal had been a minister in one of the cabinets formed by President al-Sadat before the Grouping Party was founded. Dr Yahya al-Jamal's name was also linked with the attempt that was made 1 year ago to establish a new party that would speak for President Husni Mubarak and replace the National Party. It is true that it was Dr Sa'd-al-Din Ibrahim and Mr Sayyid Yasin who opposed this attempt publicly, but it is known that the first meeting of the steering committee for this party was held in the home of Dr Yahya al-Jamal. Had it not been for the fact that this attempt was aborted, Dr al-Jamal would have been one of the foremost candidates for the leadership of this party.

This innocent courtship between Dr Yahya al-Jamal and the government continued without affecting his relationship with the Grouping Party until President Mubarak delivered the address in which he strongly attacked the opposition parties and their newspapers. This was the first time since taking office last May 1 that President Mubarak had attacked the opposition.

After that grave address the secretariat general of the Grouping Party met and decided to issue a statement in response to President Mubarak's address. The party decided to entrust the task of formulating that statement to three of its members: Dr Yahya al-Jamal, Dr Fu'ad Mursi and Dr Ibrahim Sa'd-al-Din.

Dr Ibrahim Sa'd-al-Din is a member of the Grouping Party's secretariat. Dr Sa'd-al-Din Ibrahim, however, is a professor at the American University. Then there was another development of some consequence. President Husni Mubarak summoned the president of the Grouping Party for a meeting. It so happened that Khalid Muhi al-Din was on vacation outside Egypt. So Yahya al-Jamal, in his capacity as vice president of the party, went to meet with the president.

After the meeting ended, Yahya al-Jamal did not tell the members of the party's secretariat general what transpired between him and President Mubarak during the meeting.

At the first meeting of the party's secretariat, members of the secretariat were

taken by surprise when Dr Yahya al-Jamal addressed to them a sharp question. Dr al-Jamal asked, "Do you think it is necessary that we have a confrontation with President Mubarak's regime?"

Dr Fu'ad Mursi responded to Yahya al-Jamal's question in an equally sharp tone. He said, "Can Dr al-Jamal tell us what prompted him to ask such a strange question?"

The atmosphere became tense when al-Jamal replied and told Fu'ad Mursi, "Dr Fu'ad Mursi does not have the right to ask me that question."

Everyone thought that this was the end of that episode, but there was an unexpected development on 21 May. Dr Yahya al-Jamal was still obligated to write the party's reply to President Mubarak's address, the one in which he had attacked the opposition. Dr al-Jamal wrote the reply that expressed the party's point of view on what President Mubarak had said and articulated its ideas on the method of national action in the coming period. Dr Ibrahim Sa'd al-Din went by Dr al-Jamal's house to get from him the text of the reply and turn it over to Khalid Muhi al-Din at the party's offices. Dr al-Jamal asked Ibrahim Sa'd al-Din to give Khalid Muhi al-Din a sealed envelope in addition to the text of the reply. Ibrahim Sa'd al-Din did not ask about the contents of the sealed envelope because he thought what was in the envelope had to do with a personal matter. However, when Khalid Muhi al-Din opened the envelope, he was surprised to find that it contained Yahya al-Jamal's one-line resignation. No reasons for the resignation were given.

Despite the coincidence Khalid Muhi al-Din took some party leaders along and went to see Yahya al-Jamal at his house to discuss with him his unexpected decision. The second surprise came when Yahya al-Jamal assured party leaders that he had no political differences with them and that his resignation was due to personal reasons. He said he felt generally and personally frustrated and that he did not have the slightest hope he would see the political changes he was hoping would take place in the country.

As they left Yahya al-Jamal's house, party leaders thought that the conversation that had taken place between him and them about the subject of the resignation would continue. But the third surprise came when Yahya al-Jamal leaked the news about his resignation to the official newspapers. Then he began giving interviews to these newspapers about the reasons for his resignation. The reasons here were quite different from the personal reasons that he had mentioned in his home to his colleagues, the party's leaders.

The series of surprises continued, and official newspapers began cheering about news of the resignation. They considered the news the beginning of the collapse of the troublesome Grouping Party. Overwhelmed by his joy over the news, an editor-in-chief of one of these newspapers stated, "We knew about the resignation 2 months ago!"

More than one explanation is being offered by observers for the incomprehensible resignation of Yahya al-Jamal.

After President Mubarak's address attacking the opposition and after meeting with the president--and al-Jamal did not reveal what went on during that meeting--

Yahya al-Jamal felt that there was a strong tendency in government to strike down the opposition in general and the Grouping Party in particular. Therefore, he decided to abandon that sinking ship before it was too late.

Yahya al-Jamal got a promise from the government that he would be entrusted with the task of forming a new party; that party would go beyond the present opposition parties. It is expected that Dr Sa'd al-Din Ibrahim will be Dr al-Jamal's partner in this new party because he is practically the only one defending al-Jamal's decision to resign.

According to a third explanation, Yahya al-Jamal's strong relations with Iraq and Libya are the reason why he submitted his resignation from the Grouping Party. Iraq is not quite satisfied with the Grouping Party because of its impartial position on the war between Iraq and Iran. Libya is also dissatisfied with the Grouping Party because the party had refused to join the Arab People's Congress which is financed and directed by Libya.

One question remains after that. Will Yahya al-Jamal's decision to resign from the party lead to the collapse of the Grouping Party as official newspapers predicted?

It is a fact that Yahya al-Jamal used to represent the National faction in the party's command, but he was not the only representative of that faction in the command. Makram Muhammad Ahmad, editor-in-chief of AL-MUSAWWAR Magazine affirmed that Yahya al-Jamal's resignation will be the first in a series of resignations to be submitted by the remaining leaders of the National faction who are disturbed by the fact that the Marxist faction is controlling the party. However, leaders of the National faction in the party disappointed the editor-in-chief of AL-MUSAWWAR: they declared that they were staying in the party, and they denounced Yahya al-Jamal's action. Chief among those who denounced the action was Dr Muhammad Ahmad Khalaf Allah, one of the leaders of the party's National faction.

The only thing left to be said is that the resignation of the vice president of the Grouping Party is no more than one chapter in the struggle between the government and the opposition. This chapter of the game in particular may turn out to be in favor of the government, or it may turn out at any moment to be in favor of the opposition. At any rate, it will not be in favor of Dr Yahya al-Jamal who burned himself out in the burning fires of political strife.

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LINK BETWEEN CIVIL SERVICE WAGE INCREASE, PRICES EXAMINED

Cairo ROSE AL-YUSUF in Arabic No 2871, 20 Jun 83 pp 7-10

[Article by 'Azzah Nasr: "Prices and the Wage Increase: Experts Say Living with Inflation Is a Mistake; Unions Say Wage Increase Reduces Costs of Living; Minister of State for Administrative Development Says What We Should Do in the Future Is Offer Incentives not Wage Increases"]

[Text] The government has promised that in addition to periodic raises, state employees will receive a wage increase when the 1983-1984 budget goes into effect next July. The purpose of this wage increase is to reduce the burden borne by people as a result of the high cost of living.

This question has been raised: what will be the form of this increase for wage and salary earners? What will be its effect on real income? Is the increase the ideal solution for reducing the burdens borne by people on fixed incomes and protecting them from the greed of merchants?

What is even more important is this: how will the state come up with a policy to effect a balance between income and prices and punish those who traffic in people's livelihoods?

Prices rise as soon as a cost of living increase is announced. Prices are undoubtedly high worldwide. However, the fact that salaries in Egypt are constant and the amount of the increase is not commensurate with the continuously and uncontrollably swelling tide of high prices is eroding the increase in real income because most families are not able to cover all their private daily expenses from this income.

Dr Mahmud 'Abd-al-Hayy at the Center for Economic Relations in the Institute of Planning says, "The increase which has not yet been determined but which will be disbursed beginning next July 1, is a temporary remedy for our problems. With this measure we will make people happy for a few days, and then they will feel the high prices once again.

"The idea of granting an exceptional increase is not a strange idea. This is done in different countries of the world, both socialist and capitalist. It is done on the basis of disbursing to workers a bonus equal to a month's salary.



"In socialist countries bonuses and exceptional increases come in the form of medical services, housing and leaves that are of comparable value.

"The basic part that we must look into in this regard is this: is the worker's wage commensurate with the costs of living or not? Comparing a worker's wages with the cost of living shows that the rate of inflation in Egypt consumes people's limited monetary incomes. One does not exaggerate when one says that except for bread prices, prices in our country exceed the prices charged for those same goods in the advanced countries which are the chief sources of our imports.

"Although some officials say that the state is subsidizing certain goods, like oil or electricity, and paying the difference between the prices of these goods in the local market and their prices in foreign markets, the truth of the matter is that it is those who work on fixed incomes in Egypt who are subsidizing the state because average wages are lower in Egypt than they are in those countries that are guided by prices in their own markets."

'Abd-al-Muttali' Salim, president of the Public Union for Construction agrees that the exceptional wage increase cannot alleviate the burden of high prices. "It is not what is required, but it is a step in the [right] direction.

"As a result of our economic conditions the state cannot go on increasing wages. From time to time, however, it has to increase them. As long as we do not achieve our objective in the plan, which is increasing production, the salary increases we get are tantamount to a temporary relief which would not alleviate the burdens of any family breadwinner."

Muhammad Fahmi, secretary of the National Association for Industrial Safety affirms that the wage increase will also not have an effect on reducing the costs of living. "There is no way out [of this difficulty] but to increase production and create an abundant supply. What is happening now is that a certain group of middlewomen and merchants are interfering with the goods that are subsidized by the state and purchased directly from producers, and they are controlling them at distribution outlets. There are companies that are founded on this method of obtaining goods and trafficking in them."

#### Civil Servants To Become Extinct

The reality of the lives of people living on fixed incomes, particularly those who are employed by the government and by the public sector, gives us a sense of the damage that befell them as a result of continuous price increases. This wave of price increases, which began since the 1973 war, has been going on ever since.

Dr Ramzi Zaki explains this situation: "Despite the fact that during the previous period governments were obligated to pay on time periodic wage increases, determine some wage increases and disburse bonuses on some occasions, none of this prevented the decline in the economic status of wage and salary earners. This is because of high prices and because average price increases exceeded average wage increases. This led to rampant inflation that became pronounced during the period of the open-door policy as a result of the absence of specific controls on monetary and credit policy in Egypt. In addition, the machinery of

the marketplace was allowed to play havoc with distribution operations and with the allocation of resources.

[Question] How did this happen?

Dr Ramzi replies, "While conditions for wage earners and salary earners deteriorated, a considerable number of millionaires surfaced on the Egyptian economy. They were able to take advantage of the economic liberalization policy and make large fortunes that are inconceivable and unjustifiable. It is a fact that a large part of these fortunes constitutes the incomes of people who earn fixed and limited incomes.

"It became necessary to correct the conditions of wage and salary earners, most of whom are in administrative and service positions in government and in the public sector. Suitable conditions had to be created for them so they can perform their jobs in the best possible manner.

"The danger here lies in the possibility that new workers may not be available for these centers in the future if the status of wages remains unchanged, particularly since wages were raised significantly in the foreign investments sector and the private sector to attract the most qualified people, who, [ironically], earned their qualifications working for the public sector!"

#### The Form of the Wage Increase

[Question] The real conditions which wage and salary earners experience and are affected by indicate that there is total agreement over the need to improve those conditions. What is the form of the proposed increase?

The president of the Public Union for Construction defines the form of the wage increase [by saying] that it has to be added to the basic salary because it is being given to alleviate the burden borne by families for their daily expenses. In the case of civil servants whose annual salaries are under 1,200 pounds a year, the tax exemption limit for their income taxes must be raised. This would reduce their burden somewhat. This [wage increase] must also apply to retired people, and the increase is to be added to their basic salary. Of course in this case retired people will be subject to taxes and insurance deductions because the increase becomes part of the basic salary, but civil servants will benefit from that when they retire."

When prices are raised in the next phase, the president of the Public Union for Construction prefers to have such price increases accompanied by salary increases.

[Question] How accurate is this point of view from an economic standpoint?

Dr Ramzi Zaki says, "Proponents of the proposal to increase wages whenever there is an increase in salaries [sic] believe that in this manner we would maintain a constant average real wage. But this is an illusion that is very far from the truth because this opinion, although it may appear logical at first, proves that such a method is dangerous when it is subjected to the scrutiny of economic and scientific analysis. It will not ensure improvements to the conditions of wage and salary earners in Egypt for several reasons.

"First, if wages are increased when prices rise and this is not accompanied by an increase in the level of productivity, the result will be a continuing increase in prices.

"Second, tying wages to the cost of living will create a continuing increase in the money supply in our society. It is evident that we've had an uncontrolled surge in the money supply.

"Third, if this method is applied, people with other deferred payments, such as those to whom interest, debts and rents are owed will ask that their prices be raised too.

"Accordingly, money will lose its function, and this would be a serious matter, forcing people to get rid of the Egyptian pound.

"This does not mean that I oppose increasing wages. There are people who are being destroyed by these conditions, and social justice requires that their salaries be raised.

"I am referring in particular to those who earn the minimum wage in Egypt, which is 25 pounds."

#### Living with Inflation

[Question] How can the state come up with a program to create a balance between income and prices?

Dr Ramzi Zaki says, "All methods are to be used in that effort which is to be made in accordance with an earnest and firm program to fight inflation. This is a question that successive governments have not given any consideration to.

"It may even be said that we are adopting what may be called a policy of living with inflation. This is unacceptable because in the long range inflation hurts society economically, politically and socially. This is the experience of history that we may not ignore.

"Since fighting inflation is a matter that requires time during which we can put our house in order and remove the roots of inflation from the Egyptian economy, it would be unacceptable for us to wait for the condition of wage and salary earners to improve. Hence comes the importance of a policy on a cost of living increase. It is necessary to have strict controls because they have an effect on this improvement. The most important of these controls are:

--"Considerations of social justice require that lower wage and salary earners receive salary increases at a higher rate because those people deserve more protection. This is not being done at the present time.

--"Since wage and salary earners spend all their monetary income on consumer goods and services at a rate that will equal the amount of the increase they will receive, it is expected that prices will rise. The only beneficiary in this case will be merchants and people who work in the market. Also in order for a policy on a cost of living increase to be rewarding and to improve the conditions of

wage and salary earners, this increase must not be funded in an inflationary manner, that is, by printing paper currency or by borrowing from banks. Real resources must be arranged to pay for the cost of this increase [as follows]:

--"Idle production capabilities in the public sector are to be put to work, and part of the increase in production is to be used to pay for the salary increases.

--"The standard of productivity in the government's service units is to be improved, and incentives are to provide a clear link between increasing wages and increased production.

--"A program for non-essential government spending must be devised, particularly regarding required goods that are used by the government and the public sector. Economy is to be practiced in the use of electricity, fuel, automobiles, paper, water and basic office supplies. The savings that result from such economy measures are to be used to pay for the salary increases.

--"An effort is to be made to increase production by having plants operate two or three shifts whenever that is technically possible."

Dr Mahmud 'Abd-al-Hayy says, "Controlling greedy merchants is not difficult. Even if we are inclined to encourage the private sector--and this is important--that does not mean that we allow greedy merchants to do what they want, create shortages and take advantage of people.

"The state has to adopt methods of making direct plans for the public sector and indirect plans for the private sector. Such methods would ensure increased production and controlled consumption. Plans for production and foreign trade in Egypt must be tightened so that prices can be controlled in the coming period."

#### A Labor Experiment

"In this regard there is a new experiment underway; it is being carried out by the General Federation of Labor Unions to overcome price increases. Cooperative stores of different types will be set up in all plants and companies; these stores will sell not only food, but also leather goods, clothing and all the personal needs of people. These articles will be high quality articles, and brokers and middlemen will have nothing to do with this operation."

"Therefore," says 'Abd-al-Mutalli' Salim, president of the Public Union for Construction, "the Laborers' Bank was established with a capital of 10 million pounds. This bank to which all labor unions in the republic contributed will establish such projects. This solution will do away with the class of brokers and middlemen. In this regard the state has to impose the maximum harsh penalties on those who traffic in people's livelihoods."

The previous opinions seem to indicate there is something of an agreement that prices will rise after wages are increased. They indicate the importance of having the government pay attention to the process of developing a program or a plan to control prices. At the same time the government has to concentrate on finding solutions other than that of increasing wages.

It was therefore necessary that more facts be uncovered. Justice 'Adil 'Abd-al-Baqi, minister of state for administrative development said, "It is natural in Egypt, as it is everywhere in the world, that salaries be increased to counter inflation and the growing high cost of living.

"As far as the form of the wage increase is concerned--and whether it will come as a [cost of living] allowance or will become part of the basic salary and accordingly be subject to retirement deductions and tax deductions and used to compute supplemental wages and accordingly overtime and professional allowances--this is still being considered by the Council of Ministers and the committee on policies. Proposals that will be made by the Federation of Labor Unions will also be taken into consideration.

"The prevailing opinion is that the increase is to be added to the basic salary. My personal opinion is that it would be best to add the increase to the salary and thereby increase the salary schedules, the minimum wage, the maximum wage and the maximum earnings for every grade. This is because the increases that were effected in previous years were not added to the basic salary. Nor was the schedule of salaries changed. Consequently, civil servants forgot about such increases, and the schedule of salaries remained officially constant and unchanged while salaries increased."

[Question] But is this increase the only way to solve the problem of wages?

Justice 'Adil 'Abd-al-Baqi said, "I believe it is not the only solution; it is also not the ideal solution. I cannot say that it is a temporary solution, but it does deal with inflation and the high cost of living and it does counter them in a reasonable manner. It also raises standards of living. Government is thinking of this matter not only along those lines, but it is also concentrating on increasing the incomes of deserving people by giving them incentives. We do not at all intend this to be a mere headline matter. We are talking about incentives that would be given on objective bases, and we are talking about making a true distinction between an excellent worker and one who is mediocre."

#### Incentives: the Way of the Future

"As of next year, 1983-1984 we will introduce an experiment [funds for which] will be available in the first section of the budget. Total appropriations for that experiment will be 10 million pounds. These funds will be distributed to agencies that will set up objective rules for incentives, which will not be the same [for all workers]. Distinctions in the percentage rates of these incentives will be made between diligent workers and less serious workers."

[Question] How will the distinction be made?

"The Central Agency for Organization and Management is preparing model incentive systems. [Each] model [is designed] in accordance with a professional group, and each model differs from that made for another group.

"The various agencies that will be adopting these objective systems may adopt them without changes, or they may introduce changes into those systems depending on the nature of the work in those agencies. Regulations governing the

incentives for each agency will be determined on that basis. If the Central Agency for Organization and Management approves, the costs for these incentives will be covered by the 10 million pounds that have been set [in the budget] and appropriated for that purpose, and funds will be disbursed to the agency that drew up the regulations which were approved.

"If this system turns out to be successful in the new experiment, the government will make plans in future years so that incentives will be the only way to earn a salary increase. There will be no random increases. Salary increases will be awarded only to those who deserve them.

"Administrative development agencies are concentrating [their efforts] on increasing the social services offered to workers because social services ultimately constitute an indirect increase in income. Thus, there will be a supplementary treatment system, even for those agencies that have health insurance. Agreements will be made with physicians to treat workers as well as their families. More cooperative stores of various types will be set up in those agencies that do not yet have them so as to bring food supply services to civil servants and increase distribution outlets. Workers and civil servants would not have to spend many hours waiting in lines at cooperative grocery stores."

The minister of administrative development adds, "There is a system [that is under consideration] now in the Council of Ministers. It's a self-service system for workers. For example, there would be a barber or a person who would press clothes among the workers. These people would serve the workers who would not have to pay a large fee for such services. Transportation services for civil servants from their homes to their places of work and back will also be expanded.

"All this constitutes an indirect increase in workers' salaries. This is part of the government's plan; it is part of the plan of the agencies for administrative development. This is being observed on the field to encourage all agencies to intensify such services."

#### The Wage Increase and Prices

Regarding the effect that specialists expect the wage increase will have on high prices Minister 'Adil 'Abd-al-Baqi said, "It is certain that it will counter high prices, and this is its purpose. It is natural that the question of prices be one of supply and demand. Accordingly, this increase must be accompanied by an increase in production. This is why we are saying that increasing incentives will ensure increasing production which will enable us to overcome the inflationary effects of this increase in salaries. We must, therefore, concentrate on increasing production."

[Question] What will the government do about the private sector which raises prices immediately after an announcement is made about salary increases?

The minister said, "Prices must be watched more closely to stop the greed of merchants who increase the prices of goods and services, and particularly services, without any justification. Governors and food supply police agencies must launch intense campaigns [against such practices]. By communicating with the chamber of commerce in his jurisdictions, each governor is to set up the systems that would ensure that prices not rise without due cause."

[Question] Can we say that the previous methods are part of a state program that is being carried out to effect a balance between income and prices?

"The previous methods complement each other. There is a performance evaluation system that we are using in the agencies of administrative development. We send task forces out to study the method of rendering services in [various] facilities. Among those facilities where management is being evaluated are the consumer cooperative stores. We sent the governors a number of recommendations for application to reinforce the proper distribution of goods and ensure that they are being disbursed to those who deserve them. Today there is something similar to a commitment [to these recommendations] through the disbursement of goods by ration cards."

Justice 'Adil 'Abd-al-Baqi added, "The subject of wages is being studied now by the Central Agency for Organization and Management. In addition to the previous points [that were mentioned] it includes tying wages to production and to the means of production both at the site of production and at the site where services are rendered. It includes a comparison between salaries in the public sector, in the private sector and in government."

Finally, I asked the minister of state for administrative development about what the state will get from people in return, or as people say, "The state gives with one hand and takes with the other."

The minister said, "Who said that? This increase is set to [help people] meet the costs of living. What we are expecting then is an increase in workers' incomes in a manner that would make them able to meet price increases."

[Question] Will prices increase then?

"Prices will not increase. We are confronting the prices we have today with this increase so workers would not be frustrated with the fact that their salaries are not enough to meet the daily burdens of living. Workers would thus have an additional amount of money with which they can meet these increases."

"Accordingly, what we are getting in return is that we are improving the morale of workers who will live comfortably and thus become more productive. The government is not inclined to increase prices."

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CSO: 4504/436

## EGYPT

### COURT OVERTURNS LAW RESTRICTING LAWYERS' UNION

Riyadh AL-YAMAMAH in Arabic No 757, 22 Jun 83 pp 30-31

[Interview with Ahmad Nasir, former member of the People's Assembly and member of the legal board of directors of the Lawyers' Union; in Cairo: "We Are Fighters Interested in the Situation, not in Our Lives"]

[Text] The Supreme Constitutional Court, which is the highest judicial body in Egypt, ruled a few days ago that the law which was issued in 1981 by the late President Anwar al-Sadat was unconstitutional. That law had disbanded the duly elected board of directors of the Lawyers' Union and appointed a new board in its place.

By all standards this ruling is considered the most consequential court ruling in the past 30 years. It abolished a presidential decree disbanding the board of directors of the Lawyers' Union, which constituted the most serious body of opposition to President al-Sadat. Second, it reflected a legal point of view that was neutral on the question of the political struggle between al-Sadat's regime and the opposition to it. This is the struggle whose results and consequences are still evident in President Mubarak's regime. Third, it is a ruling issued by the highest judicial body in Egypt, one that can abolish laws and presidential decrees if they are found to be unconstitutional.

This ruling constitutes a decisive victory for the forces of the opposition who won a victory over all the arbitrary measures that al-Sadat had issued in the last months of his administration. These laws have not yet been fully removed from the books. The ruling also affirms that Egypt's judicial authority, headed by the Supreme Constitutional Court, is still watching over its independence and is not controlled by the regime.

The ruling that was issued by the Constitutional Court was directed not only to al-Sadat's regime, but it was also directed to the present regime which insisted on pursuing the same policy al-Sadat had pursued: a policy hostile to the Lawyers' Union and its legal board of directors.

After al-Sadat was assassinated, the lawyers thought that the new regime will abandon the law that had been issued against their union by the former president. However, the lawyers were disappointed when the government of Fu'ad Muhi al-Din began writing a new bill supplementing al-Sadat's law. Fu'ad Muhi al-Din's



government soon presented this bill to the People's Assembly, asking the assembly to ratify it in 24 hours. The purpose of that expedient bill was to tighten the government's control on the Lawyers' Union and prevent members of the union's duly elected board of directors--the one that al-Sadat had disbanded--from declaring their candidacy and running for election to the union's board of directors. Fu'ad Muhi al-Din's government wanted to influence the outcome of any future elections to the board of directors so that only proponents of the government would be elected to the board.

While the government was scheming to railroad this bill, the lawyers waited for the ruling of the Constitutional Court, which was to have been issued last April 2. It was for this reason that the government wanted to have this law issued before April 2. After the law was actually issued by the People's Assembly the government had President Mubarak sign it quickly on the first day of April, a few hours before leaving on a lengthy journey to the Far East.

When President Mubarak signed the bill into law, the government thought the question had been settled in its favor and that it had put the Constitutional Court in a critical position. The government thought that the court would not be able to issue a ruling contravening a presidential decree.

On 2 April the Constitutional Court was convened, and the court decided to postpone its decision on this significant case till 11 June. Some people said that this postponement was an attempt to sidestep the critical position which the court judges were facing.

However, the court took everyone by surprise with its courageous ruling. The court ruled that the law which was issued by al-Sadat in 1981 disbanding the board of directors of the Lawyers' Union was unconstitutional. Accordingly, all statutes and decrees supplementary to this law, including that which was signed by President Mubarak on 1 April 1983 A.D., were null and void.

As soon as the ruling of the Constitutional Court was issued, members of the legal board of directors of the Lawyers' Union went to their union. They declared they were taking over the union and they said they would fulfill their legal duty of managing the union's affairs. They said they would throw the board that was appointed by the government out of office.

Once again there was tension in the air between lawyers and the government. The situation was almost explosive, just as it was in the summer of 1981 A.D. when al-Sadat sent his men to seize the offices of the Lawyers' Union and throw its duly elected board of directors out of office.

Matters were now contingent upon the government's attitude on the ruling that was issued by the Constitutional Court. Would the government comply with the court's ruling, recognize the status quo and allow the duly elected board of directors to exercise its authorities? Or will the government continue its old policy and insist on barring the duly elected board of directors from returning to office?

Let us let the government itself answer that question, and let us find out what the attitude of the Lawyers' Union duly elected board of directors is on the recent developments. Let us find out what that board of directors intends to do

in the aftermath of that ruling by the Constitutional Court. Let us find out what that board thinks are the possibilities for the future after it resumes its authorities in the union.

At the main offices of the Lawyers' Union, a few hours after the ruling of the Constitutional Court was issued, AL-YAMAMAH interviewed Ahmad Nasir, member of the duly elected board of directors of the Lawyers' Union and one of the representatives of al-Wafd Party on the board.

Ahmad Nasir has had a long and complicated history with President al-Sadat's regime. He was an elected member of the People's Assembly when al-Sadat signed the Camp David Accords with Israel. He was one of 15 assembly members to reject the treaty and refuse the peace and the normalization of relations with Israel. It was because of Ahmad Nasir and his colleagues in the opposition that al-Sadat dissolved the People's Assembly in 1979 A.D. Al-Sadat called for new elections, and former minister of the interior al-Nabawi Isma'il used all his influence to defeat those representatives who were opposed to Camp David.

After Ahmad Nasir was out of the People's Assembly, he declared his candidacy in 1980 A.D. for the board of directors of the Lawyers' Union. The fact that he was elected in the union's elections was a challenge that al-Sadat did not easily accept. Ahmad Nasir thus moved his opposition to Camp David from the People's Assembly to the board of directors of the Lawyers' Union. It was because of Ahmad Nasir and his colleagues that the Lawyers' Union assumed the historic positions it assumed on the peace treaty with Israel. The union burned the Israeli flag, flew the Palestinian flag and rejected all forms of normalizing relations with the enemy.

These positions were the real reason for al-Sadat's anger with the Lawyers' Union and its duly elected board of directors.

In September 1981 A.D. Ahmad Nasir and 7 other members of the Lawyers' Union board of directors were among those who were arrested by al-Sadat in the brutal campaign he launched against the opposition.

There is no doubt that such a man would be the best spokesman for the position of the Lawyers' Union in the battle it is fighting these days.

[Question] What is your evaluation of the significance of this law, [or rather ruling], which the Supreme Constitutional Court issued in the case of the Lawyers' Union?

[Answer] The ruling that the law which al-Sadat had issued in 1981 A.D. disbanding the board of directors of the Lawyers' Union is unconstitutional means in the language of the legal profession that the law has been repealed or is null and void.

This ruling creates a new area of struggle between the Lawyers' Union and the government in Egypt. The principal reason for that struggle is the attitude of the Lawyers' Union toward peace with Israel. There is no doubt that what placed the Lawyers' Union in a position of constant confrontation with both the old and the new government was the union's rejection of peace and the normalization of

relations with the enemy. Every Egyptian knows quite well the solid national position assumed by the union: backed by all lawyers the union assumed a position against [those] treaties which I call treacherous treaties. Those who attended the conference that was held by the union last 24 March remember the cheers that were repeated by the lawyers that day. The principal cheer was "Down with Camp David!"

[Question] Does this position express the opinion of all lawyers?

[Answer] This position reflects quite truthfully the opinion of all lawyers who are members of the union. There are about 50,000 lawyers in the union; they are in fact 50,000 leaders. Each of them has his own distinguished opinion and position. People turn to these lawyers [for assistance] in getting their rights. Don't you think they would turn to them when a case has to do with their personal rights.

[Question] Can you shed some light on the composition of the board of directors that al-Sadat disbanded in 1981 A.D. and on the political tendencies that were represented on that board?

[Answer] The union's duly elected board of directors consisted of 20 members in addition to the president. The members of the board were divided among the following tendencies: 10 members represented al-Wafd party; there was a Marxist member, Mr Nabil al-Hilali; there was a member of the Muslim Brotherhood, Mr Muhammad al-Masmari; and there was the president, Mr Ahmad al-Khawajah. In addition, there was another member, Mr Sabri Mabdi, who is a Nasirist. Four members represented the illusory Democratic Party--he is referring to the ruling National Democratic Party--and there were three independent members. This means that the ruling party had won only 4 out of 21 seats.

What is curious is that most board decisions that were made before al-Sadat disbanded the board were unanimous. This includes members of the National Party. This is a historical fact that must be mentioned.

[Question] Even those decisions that had to do with Camp David and peace with Israel?

[Answer] Even in those decisions representatives of the National Party stood by us. In such situations we would forget our political tendencies, and we would remember one thing only: the interests of Egypt. This may have caused al-Sadat to become fearful to the point of becoming paranoid.

[Question] All right, what are the consequences of the ruling by the Supreme Constitutional Court?

[Answer] As a result of the ruling that was issued by the Constitutional Court, every trace of the law that al-Sadat issued in 1981 A.D. will be repealed. This means that the duly elected board of directors, which was disbanded by al-Sadat, would be reinstated. That board would exercise its authority and serve the remaining period of its term, which is 2 years, 5 months and 9 days.

Therefore, as soon as the ruling was issued the duly elected board went to the

union's offices where a quick meeting was held [after which] the board began exercising its authority as a duly elected board. At that meeting five decisions were made.

First, the board was to go back and exercise its legal authorities.

Second, the president, the speaker of the People's Assembly and the minister of justice were to be notified of the Constitutional Court's ruling; they were to be informed that we had gone back to exercise our powers.

Third, an invitation was to be issued to all branches of the union in the provinces to meet with us in Cairo.

Fourth, the union's board of directors that was appointed by the government was to be given notice of the ruling so its members can turn over to us the affairs of the union so we can do our work in the best possible manner.

Fifth, a press conference was to be convened to explain our position to Egyptian, Arab and world-wide public opinion.

[Question] Now that the ruling of the Constitutional Court has been issued, what is the status of the law which President Mubarak signed last April 1?

[Answer] We must admit that the purpose of having that law issued with such haste was to embarrass the Supreme Constitutional Court and set it on a course that would lead to a dead end. However, this attempt did not succeed, and the Constitutional Court issued its historic decision. And now what is the status of the law which was signed with so much haste on April 1? This law is based on the principal law that was issued by al-Sadat in 1981 A.D. disbanding the union's duly elected board of directors. There is a rule of principle which states that everything that is based on something invalid is also invalid. If the Constitutional Court ruled that the law which was issued in 1981 A.D. was invalid, it stands to reason then that all the other laws that are based on that law are also invalid. That includes the law that was issued in April 1983 A.D. because it supplements and provides details for the former law.

[Question] What was the purpose of the law that was issued on the 1st of April this year, the law that you consider supplementary to al-Sadat's law?

[Answer] In a few words the purpose of the law was to enable the state to tighten its grip on the Lawyers' Union so it can influence the elections for its board of directors and [the government] would have a board it would feel comfortable with. The purpose of the law was also to keep the present members of the duly elected board out of any future elections. The final objective of all that was to keep away all nationalists who had assumed stern positions on Camp David and on the normalization of relations with Israel. [The government wanted] to force its functionaries on the union so they can control the union's board of directors.

[Question] Does the ruling of the Constitutional Court have other implications that go beyond those it has for the Lawyers' Union?

[Answer] This ruling pertains to every Egyptian living in this country because the question of the Lawyers' Union is actually the question of all Egypt. It is the question of the Egyptian struggle against tyranny, against dictatorship and against high-handedness. I think that any regime that does not satisfy lawyers is a regime that has failed and is bound to disappear. The clash between the lawyers and al-Sadat's regime was the beginning of the end for that regime. For the past 30 years Egypt had not seen such a firm and courageous position as that which was assumed by lawyers against al-Sadat's regime. The lawyers' position was a manifestation of the pulse of the Egyptian people who reject peace with Israel, reject the alienation of Egypt from its Arab brothers, reject subordination and reject dictatorship and all forms of military rule. The Lawyers' Union succeeded in its previous positions because it made the Egyptian people its partners in the battle. If this regime had at least a small measure of intelligence, it would have left the lawyers alone. If it could not win them over, at least there was no reason to turn them against it.

[Question] Let's assume that the state will not comply with the ruling by the Supreme Constitutional Court and that it will behave as though the situation had not changed. Let's assume that it will regard the reinstatement of the union's duly elected board of directors an illegal measure and that it will resist by force your reinstatement, what will be your position then?

[Answer] We are fighters first and foremost, and fighters do not make ordinary calculations to solve problems. Fighters assume proper positions even if that were to cost them their lives. It is the other party, however, that must calculate matters carefully, and it must abandon its intransigence and its obstinacy because it stands to lose a great deal in a clash with us. If we lose, however, the only thing we will lose is our personal freedom, and this does not concern us much. We are not at all prepared to abandon our position because we are entitled to those rights. It is not possible for the Lawyers' Union, which retrieves citizens' rights for them, to abandon its own personal rights so simply.

I believe that the ruling by the Constitutional Court has placed the regime in its entirety in a very difficult confrontation. Either the regime revert to fair practices, and that would be virtuous, or it can hold on to its intransigent position and thus lose a great deal.

I believe that President Mubarak's advisers had a lot to do with the recent position he assumed toward the Lawyers' Union. They persuaded him to sign the April 1983 law. I believe that the fact that the president signed this law placed him on a [course of] confrontation with the lawyers. The quarrel that existed was one between the lawyers and al-Sadat. After the people rendered the death sentence against Anwar al-Sadat, we had hoped that his successor would harbor neither a grudge nor hatred for the lawyers. However, by signing this recent law he did place himself on a [course of] confrontation with the lawyers.

[Question] Didn't you try to make any efforts to contact senior officials and settle matters with them?

[Answer] No. No.

## ALIA AIRLINE REVENUES INCREASE IN 1982

Amman AL-DUSTUR in Arabic 27 Jun 83 p 3

[Article by Samih Sayir: "Financial Report of Alia Airlines Shows 130 Million Dinars of Income During 1982; Rise in Working Capital Strengthens Organization's Fiscal Position"]

[Text] Alia, the royal Jordanian airline, showed tangible growth in productive power and total carrying capacity, as its overall income rose by 19 percent over 1981.

The annual fiscal report for 1982, issued by the organization yesterday, disclosed that real growth exceeded 10 percent, and that is a healthy percentage in view of the restrictive and lethargic climate in which the international airlines are operating. During 1982 the organization's income amounted to about 130 million dinars, which is an average of more than a third of a million dollars a day. It represents either foreign currency from sales outside Jordan, up to 80 percent, or local currency from sales within Jordan.

### 1.44 Million Dinars

The report said that the calculated net profit, as reflected by the final accounting statements, indicates a moderate profit within the limits of 1.44 million dinars, a margin of no more than 1.1 percent. This indicates the vulnerability of airline operations, since a 1 percent drop in income and an unnecessary spending increase of the same magnitude would have been enough to reverse the results and turn the profit into a loss.

The report mentioned that during that year about half a million additional dinars were used to cover bad debts. A large sum from reserves was also used to cover maintenance of Boeing 707 airplanes. All foreign currencies were revalued according to their current prices at the end of the year, which meant that long-term loans in dollars were revalued so that their value in Jordanian dinars rose as a result of the rise in price of the dollar. The currency differences of 8 million dinars resulting from that were borne on the expenditures account, but the planes themselves for which these loans were used were not revalued.

## Stronger Fiscal Position

The report added that in spite of all of this exceptional fiscal burden, the net profit from operations, or operational profit, remained at 17.8 million dinars. However, interest paid on loans and differences in foreign currency raised non-operational expenses so that the final net profit was 1.44 million dinars, as we mentioned.

An indication of the organization's conservative fiscal policy is the fact that the statement of changes in fiscal position shows that working capital rose by about 7.4 million dinars, which improved the organization's cash flow and strengthened its fiscal position and its ability to meet its obligations on schedule.

The report notes that the total of the organization's payments for long-term loans during 1983 was 14.6 million dinars, and interest paid on these loans and debenture bonds totaled about 14.9 million dinars. The organization was able to pay all of these obligations on time without resorting to the treasury or to any other source.

### Observations:

The costs of operating the airline increased by 3 percent, while flight hours remained about the same as they had been in the past year. This indicates that the cost per hour has risen by only 2 percent. It should be noted that the framework of the fleet may change, which makes comparison a difficult problem.

The cost of maintenance and repair increased by 53 percent as a result of the addition of huge new planes to the organization's fleet. Also, the hourly cost of maintaining the Boeing 707s remaining in the fleet has risen sharply.

Amortization of debts increased by 46 percent as a result of adding three new Tristars to the organization's fleet during 1982, in addition to more Boeing 727s and 747s which were added at different dates during 1981.

Expenses of ground stations and services increased by 17 percent, noting that the number of trips increased by only 3 percent. This means that the cost of takeoff and landing for each flight continues to increase by 13.6 percent as a result of the continued rise in prices of services in the various airports of the world.

Costs of services to travelers increased by 11 percent, while the number of passengers increased by 16 percent. This means that the cost of food, beverages and service per passenger dropped by 4.3 percent. That is attributable to the increased percentage of passengers on short trips, such as Cairo, Baghdad, Beirut and 'Aqabah.

Expenses of sales offices, advertising and air conditioning increased by 4 percent, which is very reasonable and lower than the percentage of increase in sales, expansion of the work force and the number of passengers carried.

Administrative and general expenses increased by 13 percent, which is in line with the organization's administrative expansion. Administrative and general expenses make up 2.9 percent of total expenses.

Total operating costs increased by 14 percent, while total actual production in terms of metric kilotons carried increased by 7 percent. This indicates that the cost of carrying one metric kiloton rose by 6.5 percent.

Non-operating costs rose by 54 percent. This is attributable to the rising cost of interest due on loans granted to the organization. The most important components of the non-operating expenses are interest on loans and currency differentials on long-term loans.

#### Income

Income from passengers increased by 20 percent, while air travel in passenger kilometers rose by 4 percent. This reflects an improvement of 15 percent in revenue per passenger kilometer. This improvement is attributable partially to the moderate rise in prices and partially to outstanding performance in the routes which have the highest return.

Income from excess baggage charges increased by 32 percent. This increase indicates the desire of departure points to collect the organization's full share of excess baggage charges.

Income from air freight rose by 14 percent as a result of a 16 percent increase in actual metric kilotons carried. This reflects a 2 percent reduction in the profit from transporting each metric kiloton.

Air mail revenue increased by 22 percent, as actual metric kilotons transported increased by 16 percent. This reflects a 5 percent improvement in the profit from transporting a metric kiloton.

As a result of the increased rate of growth in passengers carried, excess baggage, air freight, and air mail, which constitute regular services, during this year as compared to the past year, the total income from regular services increased by 19 percent. This increase is a result of a 7 percent increase in total metric kilotons carried, which indicates an overall improvement in return of 11.2 percent.

Income from leasing airplanes increased by 75 percent, while hours of aircraft leased increased only 14 percent. This indicates an improved hourly leasing rate.

Other income, including landing and departure fees for foreign commercial and business flights, profits from food supplied to them, sales of aircraft and return on investments decreased by 5 percent. The reason is that income from food supplied to planes of other companies was 10 percent lower than the previous year.

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CS0: 4404/488



## JUDGES, LAWYERS IN AMMAN EMBROILED IN BITTER DISPUTE

Paris AL-MUSTAQBAL in Arabic No 331, 25 Jun 83 p 17

[Article by Hani Khayr: "Amman Lawyers Complain About Cases"]

[Text] Jordanian public opinion circles have disapproved of the question of the dispute between judges and lawyers in Amman which has lasted for the past 2 weeks. Public opinion circles find it strange that such a crisis has occurred between two groups which bear "qualities of esteem, freedom and equality."

The case of the lawyers and the judges began months ago but did not surface until last week, when a justice of Amman's lowest court issued a decision to arrest three lawyers: Ibrahim Bakr, former head of the bar association and a member of the executive committee of the PLO; Kamal al-Dajani, former minister; and Ilyas Nasir, a well-known lawyer. This was done because of a complaint concerning them submitted by the head of Amman's court of first instance, Faruq al-Kilani, because they offered a speech for the defense in lieu of their defense counsel in a case before the Amman appellate court which the complainant considered to be derogatory toward the court and slanderous.

Immediately after that, the council of the bar association, which felt that this action might sour friendly relations between judges and lawyers and restrict the sacred rights of the defense, called an emergency session attended by more than 300 lawyers. As a result of that, they decided that the judge's ruling was a clear violation of justice. To protest that, the council, with the approval of all of the lawyers present, decided:

1. To call on all lawyers to stop working before all courts in Jordan for 1 day.
2. To call on all lawyers to refuse to appear before both the complainant judge, Prof Faruq al-Kilani, and the judge who considered the complaint, Prof Hanna al-A'raj, until further notice.
3. To take the necessary steps to submit a complaint against both the complainant judge and the judge who considered the complaint, according to the provisions of the independence of justice law.

The next day the lawyers carried out their decision to stop work. The result of that was that the courts outside of the courthouse resorted to postponing cases scheduled for that day, while in the courthouse some pending lawsuits were dropped that day. At the end of working hours, the judge of Amman's lowest court who had issued the arrest warrant, after considering the circumstances of this case, decided to release two of those arrested on bail of 100 dinars each at the request of a friend of the two. Last Saturday morning the lawyers carried out their decision not to appear before judges al-Kilani and al-A'raj, but a number of judges in the courthouse studied the matter among themselves and issued a statement signed by about 50 judges containing a vehement response to the lawyers' position. This statement was presented to the minister of justice, with copies to the head of the Council of Ministers and to the head of the Judiciary Council. It contained sharp criticism and disapproval of the position of the head and members of the bar association, which it considered as intervention in judiciary matters.

Following that, the council of the bar association held a meeting at its headquarters at which it decided to continue to refuse to appear before the two judges until further notice and to submit a complaint against them to the minister of justice to be submitted to the Judiciary Council.

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CSO: 4404/488

NATIONAL ASSEMBLY PRESIDENT INTERVIEWED

London AL-MAJALLAH in Arabic No 167, 23-29 Apr 83 pp 44-46

[Interview with Muhammad Yusuf al-'Adsani, president of the Kuwaiti National Assembly, by Wahib Muhammad Ghurab: "Kuwaiti National Assembly President to AL-MAJALLAH: In Facing Oil Crisis, We Have No Choice But to Lower Prices; Crisis of Al-Manakh Market Has Not Affected Kuwaiti Economy, Will Never Be Repeated; Reagan's Initiative Not Good, Israel Continuing to Expand"; in Kuwait, date not specified]

[Text] AL-MAJALLAH conducted a personal interview with Muhammad Yusuf al-'Adsani, president of the Kuwaiti National Assembly, which dealt with a number of prominent Arab and domestic issues. The text of this interview follows.

[Question] Is it possible for us to discuss the democratic experiment in Kuwait?

[Answer] The history of democracy is deep-rooted in Kuwait. The first assembly started at the end of the eighteenth century, 1785 to be precise, as an advisory council to which the authority at that time turned for guidance in certain matters. It was followed by a similar council in 1925, then a council of deputies in 1939. This was the council that put the first touches on something like a constitution, or a constitution from the laws emanated to the dawn of independence in 1961. This was the assembly, and I can say with all pride that our constitution is a very progressive one, as we called upon our Egyptian brothers for help. In addition, if we compare it to other constitutions, we find that Islamic principles are fundamental. This is a very brief survey of the history and growth of democracy in Kuwait.

[Question] How do you assess the democratic experiment?

[Answer] The experiment is going well. Its assessment here is with respect to its recency, because by comparison with any deep-rooted democracy it is very recent, if not newborn. In spite of this short period, it can be said as an assessment of the experiment and the assessment of many observers that it is going well, the constitution is good and our gains are good.

[Question] Does the National Assembly represent all classes of the Kuwaiti people?

[Answer] Yes, of course. The elections are free and direct, and all sectors of the people are represented.

[Question] What are the foremost differences between the Kuwaiti National Assembly and parliamentary assemblies in other nations?

[Answer] On the basis of a general look at the constitution in effect in the various nations of the world and a comparison of them, we note that the constitutions are based on conventional matters, that is, the people are familiar with them, and thus each constitution is suited to a society or its situation. The Kuwaiti constitution, as I indicated at the beginning, is very advanced. In it we gave consideration to our circumstances, and in it we also gave consideration to the important aspect of this topic, which is our deep-rooted tradition represented by the modern Islamic religion.

[Question] What gains have been realized by the National Assembly for the Kuwaiti people?

[Answer] Many gains have been realized, if we recognize that the constitution and consequently the legislative organization represented by the National Assembly, as articles in the constitution, has the right of oversight and practice. It has the right to promulgate laws, they have the right to oversee treaties and agreements, and they also have the right to control and participate in the other political bodies. From all of the facts, in addition to the fact that the assembly, as I indicated, represents [all] sectors of the people, it is consequently a participant in the executive branch in drawing up various policies, if not all of the policies, on which the state is based.

[Question] Every parliamentary experiment usually undergoes development in accordance with the needs of the nation. Are there plans to develop the National Assembly?

[Answer] Currently there are no plans, especially since the constitution is progressive and has not been in existence long: 20 or 21 years are not a long life span. There is a bill submitted by the government to revise or amend certain articles; the parliamentary debate is still in progress.

[Question] How do you visualize the assembly 5 years from now? Will it continue as before, or will it evolve?

[Answer] It will continue as it is, of course.

[Question] As long as we are discussing the projected revision of the constitution what is your opinion of government's proposals to revise the constitution?

[Answer] In fact, a long and wide-ranging argument has occurred, and the topic of the hour is that there has been nothing distinctive in the current session. The government submitted a bill to revise certain articles, some of them of a form which almost violates procedures, some perhaps substantive, like increasing the number of members, the enactment of laws, and proposing budgets for the Assembly to approve. A long argument came about which has extended to the press and to social clubs as well as within the Assembly, and it is still in progress. However, I am confident that this argument represents a healthy phenomenon in the democratic dialog between the two branches, and I am positive and confident that it will result in an agreement between the two branches concerning this subject.

[Question] Do you believe that the government's proposals to revise the constitution represent a step backward in the course of cooperation between the legislative and executive branches?

[Answer] The executive branch views it as a progressive step which steps up the pace of propelling democratic life, condenses a lot of the routine and saves time, while the legislative branch sees hindrances and destruction of our gains in this amendment. Between these two opinions stand this argument.

[Question] In your opinion, what are the most prominent hindrances?

[Answer] In reality, there is more than one article, as I already said. There are viewpoints, from my point of view, it may be the enactment of laws in the absence of the Assembly.

[Question] What role does the National Assembly play in laying down national policy in the domestic and foreign areas?

[Answer] By virtue of the constitution, on the domestic level and beyond, it verges on interpellation of the minister, and even in some cases going as far as withdrawing confidence from the government, as happened in '67. At the same time it has the right to promulgate laws. In addition, with respect to foreign policy, the National Assembly is in constant contact with and participates with the executive agencies in laying down this policy.

Most Serious Topic Before the Assembly

[Question] What is your opinion of the Arab parliamentary experiments? Which Arab parliamentary experiment is the closest to the Kuwaiti experiment?

[Answer] Let me answer the question where you finished. The closest to Kuwait is the Lebanese Chamber of Deputies, and the Moroccan and Tunisian as well. Each nation has its own political, economic and social circumstances and situation. Some Arab nations have deep parliamentary roots and in some others, like Kuwait, democracy has not yet gone beyond twenty years. There are some nations which want some time for their experiments, but the best one that forms a broad plan is a lot of democracy and freedom for the people.

[Question] Can you relate to use the most serious topic submitted to the Kuwaiti National Assembly, and how was it handled?'

[Answer] Actually, seriousness here is relative. What I see as serious is not serious to others. However, a number of topics have been submitted, perhaps the most important of them the topic of constitutional revision, followed by the topic of the financial market, followed by an excellent achievement, which is the government and the Assembly reaching an agreement to found an organization to supervise the nation's investments and its reserves.

[Question] How do you regard the Assembly's role in the critical situation through which the region is passing?

[Answer] Its role in this twisted and critical situation, as I mentioned, lays many burdens upon the Assembly, but I am confident that, with a lot of effort between us as the legislative authority and the government as the executive authority, these efforts will intertwine to help in facing the current developments.

[Question] But do you believe that it is appropriate in this situation to display different platforms?

[Answer] Actually, one of the characteristics of democracy is the appearance of different platforms, because a difference of opinions always leads to the best point of view.

[Question] What do you think of the supplementary law to solve the crisis of the al-Manakh market?

[Answer] I do not wish to anticipate events. The law is still before the legislative committee. The committee is trying now to call upon prominent economic personalities represented by some of those who compete in the market, the settlement committee and the Ministry of Commerce to crystallize a concept and present recommendations.

#### Gulf Cooperation Council

[Question] With the announcement of the establishment of the Gulf Cooperation Council, a political change became apparent in the region, calling for the necessity of cooperation among corresponding systems which could become unified in the future. What is your opinion of the nature of the cooperation which must exist between the nations of the council?

[Answer] The question may have more than one side. In reality, before the Cooperation Council was established we were rallied together under the Arab League, and we still are. In my estimate, the Cooperation Council is nothing more than a supplement, because there are bipartisan agreements and two-party cooperation which have been in existence since before the council, too. We are very similar to each other in this region in many aspects, out which it became necessary to establish the Cooperation Council. I believe that

the Cooperation Council is a tremendous accomplishment, especially in these circumstances where our brothers in the Gulf meet under the umbrella of the Council at the same time. The existence of the Council will help, as I indicated, to increase rapprochement with other Arab brothers within the framework of the Arab League or certain brother Islamic nations.

[Question] What is your opinion with regard to the call to set up a joint legislative framework among the Council nations?

[Answer] Actually, there are councils: The consultative council in the Sultanate of Oman and the consultative council in the Emirates and in Qatar. In fact, I sent invitations to my fellow presidents to visit Kuwait on the basis of the possibility that we meet, because we and the Emirates council are members in the Arab Parliamentary Union and participants in the International Parliamentary Union. This does not prevent us from finding some form of cooperation to parallel the existing cooperation between the official parties. For this we are striving.

#### Al-Manakh Market Crisis

[Question] What role will the National Assembly play in protecting the interests of Kuwaitis who are suffering loss because of the al-Manakh market crisis?

[Answer] Actually the al-Manakh market crisis has been perceived as larger than necessary. In this regard I have not failed to remember a little news item from Last October and the fact that it may be an exaggerated new item. It had a bad reaction with regard to credit certificates for Kuwaiti banks. This means that the matter was exaggerated, and we shall speak in numbers. Those who became involved in the al-Manakh market crisis do not number six thousand officially, but names are repeated, and if they are summarized they are even fewer. This number forms a thin slice which represents the economy of Kuwait or the commerce of Kuwait; they are a thin slice of society. The second fact is that the sums circulating among these people are imaginary sums which are not related to the truth. This was proven by the reality of the numbers and the disclosures which were made recently, six or seven months ago. It appeared that these persons had debts amounting to hundreds of millions. This is incomprehensible, and when the situation was elucidated, they found 16 or 18 people whose indebtedness reached 15 billion. Thus, there are imaginary sums which do not represent the economy of Kuwait, which is not capable of defraying these sums in twenty years. Thus, the situation is exaggerated. I am not saying that it has not hurt anyone, but not all of the people, and those who were hurt do not represent the economy of Kuwait by the evidence that a year and a half has passed now since the crisis and the economy is just as it was, real estate has not dropped, wages have not lessened and bankruptcies have not occurred. There are economic data which refute that the crisis has had an effect, but it has not had as exaggerated an effect as it was said to have. These are broad lines, and it is being given more than it is due; some people have their own reasons for this. In my estimate, the crisis is in the process of being solved, because Law 59 which was promulgated cut off 70 percent of the reach of the crisis.

This means that the government has set aside 500 million dinars for the debtors to issue bonds up to 2 million in order to take the place of these debtors. They represent about 4,000 of the total number of debtors whose indebtedness does not exceed 100,000, 150,000, or 800,000 for the most part, or perhaps a million and a half. We have passed through the severe months. The National Assembly undertook to help the government, even though there was differing opinion on Law 59 and on the studies. A bill has been proposed to the committee, and as I said, I do not want to discuss it prematurely.

[Question] Can we say, then, that the al-Manakh market crisis has not had an effect on the Kuwaiti economy?

[Answer] It has never had an effect. Let's define the Kuwaiti economy: The Kuwaiti economy, in my estimate, is centered on well-known economic factors: the banks, petroleum, and national investments. Petroleum is the backbone of the Kuwaiti economy, the banks are the savings place of the people, and the fourth is the companies [sic]. All of these institutions have not been effected. The state's investments are good and their returns are good. The companies--and what I mean by companies is the shareholding companies and the banks (let's set aside the "Gulf companies")--have good prices, to the point where the government set a ceiling for some prices. There are many prices above the ceiling, such as the national bank raising its prices above the ceiling. In light of these factors, the economy has not been affected.

[Question] Can we say that the al-Manakh market crisis is an experiment which will never be repeated?

[Answer] It is an experiment and it will not be repeated. Among its causes, as I said to one of the foreign papers, Kuwait did not fall into it alone; rather, more than one nation fell into it. The cause of the crisis is the world recession, especially in the area of monetary investment, and especially the European currencies. If we take the story from the beginning in '73-'74 and the rise in the prices of oil and the resources and oil granted the region by God (be He praised and magnified) and the increase in their prices, as long as the field of investment was restricted the people were investing at home and abroad. However, everyone leaned toward domestic investment after the recession in the foreign market. It became like rationed water; everyone wanted to speculate. This did not happen only in Kuwait, it happened throughout the world. In Mexico...I'll give you an example, the French franc: Today, the profit per hundred reached 4,000, and speculation occurred in Mexico. The most powerful banks of America got involved in it. The fact is, it is a world crisis, and Kuwait is a small country, a small society. The problem appeared and was given more than its reality. The assembly and the government must draw up this legislations if the matter requires it, so that this situation will not return.

[Question] Even if the matter requires strong regulation of the stock exchange?



[Answer] It is to be regulated in laws, regulations and ordinances which cannot be violated, because most of what happened goes beyond the laws, goes beyond the ordinances, and are violations.

#### Reduction of Spending

[Question] As long as we are discussing the economy, after the lowering of oil prices, what is your estimate of the economic effect on Kuwait?

[Answer] Its economic effect is like any effect on any other nation. In the past year we recorded a budget deficit estimated at 300 million. This year we have an actual deficit, not a ledger deficit, which may exceed 800 million. This will undoubtedly reflect on growth and the economy as a whole.

[Question] How will Kuwait confront the crisis?

[Answer] We have no choice but to reduce spending and lower the rate of growth.

[Question] Don't you share the opinion that the Gulf states, within the framework of OPEC, are targeted by Western circles?

[Answer] I don't consider that unlikely. However, I do say that the Iraq-Iran war may have had a large role in what happened.

[Question] How do you visualize the possible outcome for the nations of the region in the economic crisis?

[Answer] A lot of cooperation. I know that the position of the Gulf nations recently has had a large role in the decisions reached by OPEC--their united positions, naturally.

[Question] If we speak of the political situation in the Gulf region, what is your appraisal of the situation in the region?

[Answer] The region is passing through a narrow and dangerous alley, and I fear that the region is a wrestling ring. The anxiety of every zealous and devoted person for the region is the Iraq-Iran war, to what extent it will continue, where it will drop anchor, and where it and its complications will end. All of these are apprehensions which mankind sets up, in addition to what is happening in Afghanistan.

[Question] Is there no way out of the Iraq-Iran war?

[Answer] Efforts are being exerted at more than one level, but these efforts have yielded nothing so far. We hope to reach a solution.

[Question] Are there tangible dangers?

[Answer] There are dangers, of course, but I cannot define them. Uneasiness and the people turning attention from growth to a wartime economy is enough.

[Question] How do you visualize the Arab situation?

[Answer] The Arab situation is not excluded from the Gulf situation; it is passing through bad circumstances. This means Israel and the standing Arab disputes; what is happening is more than what is announced. Perhaps the best evidence is what occurred in Africa in recent times--by this I mean in Northern Africa--as well as the divisions among Arab organizations and their negative reflections on the Arab community. All of these matters invite sorrow and despair but we hope to learn a lesson from the current situation.

[Question] Do you see any signs of hope on the horizon for solving the Middle East crisis, in light of the proposed programs?

[Answer] I believe that, if there are solutions there, they will be temporary, because Israel is trying to exploit every proposed solution to gain time. What did Camp David accomplish? As late as yesterday, Israel is defying the world by building settlements and expanding. Senator McCluskey was with me yesterday and expressed his fears that Israel would not observe any decision and that it would continue to expand.

[Question] What do you believe to be the foundation on which any settlement in the region will be based?

[Answer] I cannot express my opinion on this because the subject is delicate, and it is rather difficult to present a definite opinion or definite aspirations, because faith is one thing and reality is another thing altogether. However, I can say that Israel will exploit any agreement to its own benefit and not to the benefit of the other parties, as occurred at Camp David, which is the best evidence.

#### Reagan Initiative

[Question] Do you believe that the Reagan initiative is good for bringing about peace in the region?

[Answer] It is not good.

[Question] There are some who believe that the Gulf may one day be subjected to an Israeli attack. Do you share this view?

[Answer] Israel has threatened, and after striking the Iraqi nuclear reactor, Israel has given the indication that it will not hesitate to strike any region.

[Question] Has Lebanon been forgotten in its crisis?

[Answer] Actually, while the Israeli army was subduing Lebanese territory, the Arab world was regrettably split. There was an Arab weakness in which Israel performed barbaric actions in an Arab nation. Diplomatic efforts are being exerted to help Lebanon and to withdraw the Israeli forces and other Arab forces. We hope that they reach a solution.

[Question] How is Kuwait affected by the Middle East crisis?

[Answer] Because it is a part of the Middle East region, consequently what happens in the region affects Kuwait, because it is a part of the Middle East region [sic].

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AGREEMENT WITH ISRAEL ANALYZED FROM ECONOMIC PERSPECTIVE

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 49, Jun 83 pp 27-29

[Article: "The Likely Economic Complications of the Lebanese-Israeli Agreement: The Boycott Is Put Into Effect, and the 'Alternatives' Do Not Serve as Alternatives"]

[Text] Ever since the signing of the Lebanese-Israeli agreement last 16 May, Lebanon's officials, businessmen, and other citizens have been living in fear of an Arab boycott. Or at least they have been living in fear of a Syrian boycott which, for all practical purposes, would cut Lebanon off from the bulk of the Arab markets. Needless to say, this fear is one which is justified in the case of Lebanon since its economy is one which is almost totally tied to the other Arab nations--in terms of its exports, investments, and interlocking interests.

The fact that the Lebanese government has mounted a diplomatic initiative to explain its point of view is not something which has decreased the degree of this anxiety.

Lebanese fears are principally centered around the rejectionist Syrian position which has not demonstrated the flexibility which was hoped for and the economic measures which may be adopted by some of the Arab nations which fear that Israeli goods may reach their markets on the sly.

But so far this boycott has not taken place, although it is still something which may happen.

What are the real facts of the matter, and what will Lebanon's situation be in case either a partial or total Arab boycott takes place? Is there any way that Lebanon could deal with such a boycott?

Freeze in Economic Transactions, and Rewards Associated With It

When one looks at the basic provisions mentioned in the main body and the appendices of the agreement, it appears to be true that the agreement contains no paragraph involving the establishment of economic dealings of any sort between the two nations. However, this is something which is meant to be temporary and to last only for a period of 6 months following the withdrawal

[of Israeli forces from Lebanon]. After that time both parties are to enter into negotiations "for the purpose of reaching agreements concerning the movement of merchandise, products, and persons," as is stated in Paragraph 2 of Article 8 of the agreement.

One notes that the creators of the agreement--both those directly involved and those indirectly involved--were careful to postpone this aspect of the agreement due to the dispute surrounding it, on the one hand, and also due to the desire to gradually diffuse the strong reactions to the agreement.

The provision dealing with the necessity to begin negotiations includes carefully and skillfully formulated expressions such as "for the purpose of reaching agreements," makes reference to "good will," and says that the implementation must be on a "non-discriminatory basis."

In any case, postponing discussion of this aspect of matters may not have any immediate results as far as the Arab boycott is concerned since such an Arab boycott, if it takes place, will be a boycott protesting the agreement itself in principle rather than protesting merely the economic dealings between Lebanon and Israel. It is true that putting a freeze on such economic dealings may temporarily eliminate some immediate problems, but this will remain a secondary matter as far as the issue of the basic agreement is concerned.

#### Lebanon's Apprehensions

Lebanon's fears of the occurrence of an Arab boycott of Lebanon are based on a fundamental truth. This truth is the fact that the Lebanese economy, to a great--in fact, to a decisive--extent, depends on the Arab markets. These Arab markets absorb more than 80 percent of Lebanon's exports. According to the statistics put out by the Beirut Chamber of Commerce and Industry, the percentage of Lebanon's exports absorbed by the Arab markets increased from 51 percent in 1974 to 83 percent in 1982. What this indicates is that the Lebanese civil war which broke out in 1975 resulted in cutting Lebanon off from its more distant markets in Europe, Africa, and the socialist nations, and intensified Lebanon's involvement with its neighboring markets in the Middle East, especially after the oil boom and the inflated purchasing power of the Arab markets which it resulted in. Lebanon's exports to the Common Market nations have decreased by 30 percent, its exports to the socialist nations have also decreased by 30 percent, and its exports to the African nations have decreased by 62 percent.

The dependence of Lebanese exports on the Arab markets appears to be most pronounced in the area of agricultural exports, most of which go to these markets. For example, Lebanon exports about 150,000 tons of citrus fruits to the Arab markets, and Syria alone accounts for about 100,000 tons. The value of these exports, including both citrus fruits and apples, totals nearly 300 million Lebanese pounds.

It is easy to further enumerate the fields and areas which would be directly affected by such an Arab boycott. In addition to losing a large share of the

export market--something which could not be compensated for by creating alternative markets for these goods--Lebanon could also expect to suffer a decline in human traffic with these nations. This would be particularly true in the fields of tourism, the summer resort business, and other services. There would also be a decline in aid furnished by Arab governments, there would also be a decline in mutual investments between Lebanon and the Arab countries, the interests of Lebanese working in the Gulf area would be harmed, etc.

#### The Boycott

In view of this Lebanese economic involvement and link with the Middle East, an Arab boycott would be a real catastrophe and it would be difficult to predict all of the consequences which it would have--at least for the foreseeable future.

Of course no nation except Israel hopes that matters will reach the stage of a boycott or that Lebanon will be cut off from its Arab hinterland. If there have been apprehensions, then they have been natural apprehensions which Lebanon has been able to marshal in its defense during the difficult negotiations with Tel Aviv in order to decrease, as much as possible, the concessions from Lebanon. However, regardless of the direction which matters are expected to take, one should, as a precaution and in an effort to explore matters, study the various existing possibilities and their dimensions. In this regard we will focus on the following possibilities:

#### A Syrian Or Overall Arab Boycott, and Possible Alternatives

##### A Syrian Boycott

One could say that Syria, the nation whose interests would be most affected by the agreement, so far is the only Arab nation which has declared its total opposition to it. In this regard, Syria diametrically opposes Lebanon--which signed the agreement because it felt that this would be the only means of guaranteeing that foreign troops would withdraw from its territory and would be the only means of guaranteeing its interests. Perhaps the simplest means of resisting the agreement which Syria may resort to in case the dead end continues and in case it is difficult to create a settlement which would lead Syria to withdraw would be for Syria to close its border with Lebanon and close off its air space to Lebanon. If Syria resorts to doing this, this will not only isolate Lebanon from Syria, but will also isolate Lebanon from all of the other nations of the Arab East--including Jordan, Iraq, Saudi Arabia, and the Arab Gulf nations. Syria constitutes the only land corridor between Lebanon and its other Arab neighbors, unless we start considering Israel to be a gateway to these countries. If such a Syrian boycott takes place, what would be the economic consequences of it and how could Lebanon deal with them?

Syria constitutes one of the basic markets for Lebanon's exports, and in 1982 it accounted for about 7 percent of Lebanon's total exports. This percentage used to vary between 11 and 15 percent, but in 1982 it decreased because of

the Israeli invasion of Lebanon which led to an overall decrease of 4 percent in Lebanon's exports to the Arab nations as compared with 1981.

The immediate consequence, then, of Syria closing its border with Lebanon would be that Lebanon would lose about 15 percent of its export market.

Furthermore, if Syria closes its border with Lebanon, this might take place not at the international border between Syria and Lebanon, but rather at the al-Madfun roadblock near al-Batrun. This would mean that North Lebanon would be isolated from Mount Lebanon and the Beirut area, and would mean that Lebanon would lose one of its vital installations--the Tripoli refinery, which refines two-thirds of the fuel required for Lebanon's domestic market.

If the Syrian boycott included closing off the Syrian air space, this would mean additional burdens and losses for Lebanon's two national airlines since airplanes flying to the capital cities of the other Arab nations would be forced to fly longer alternate routes.

#### The Sea Route

In case only Syria boycotts Lebanon, the core of the issue would remain that of exporting to the other Arab nations and whether or not there is an alternative route to the land route across Syria. The theoretical answer to this problem would be to establish a sea route to these countries, the basis for this approach being the phrase which someone once said: "A nation which is located on a sea is not deprived of a means of marketing its goods." In this case this would refer to setting up a sea route between Beirut and the port of 'Aqabah in Jordan--via the Suez Canal--or with one of the ports in Turkey.

The fact is that, so far, an economic study of this alternative has not been made and nobody is in a position to present a realistic assessment of the economic feasibility of such an alternative and concerning the additional burden which it would mean for an exporter. However, it is certain that having to use the sea route would mean additional expenses for an exporter which he, at the present time, might not be able to take on if he wants to maintain his ability to compete in the Arab markets--which have come to be flooded with merchandise sold at dumping prices.

It is believed that using the sea route would require advanced sea transport equipment which makes the loading and unloading processes unnecessary and allows the utilization of the method of transporting goods on trucks which are unloaded from ships and then drive directly to the country of destination. Nevertheless, switching over to sea transport might directly confront the [Lebanese] government with the necessity of having to subsidize exports to a certain degree.

However, the issue might go beyond one of the additional cost incurred by the sea route and might also become an issue of the degree to which the port of 'Aqabah would be able to absorb this volume of exports. This port suffered from severe congestion after the port of Basrah was closed and it became the

only means of access to the sea for Iraq. In some cases ships had to wait more than 70 days to unload. The reason for this is that the port of 'Aqabah is not equipped to receive a large number of ships or large influxes of goods at one time. The Lebanese remember well when all of this happened, especially the period of time when the Syrian-Iraqi border was closed, and it was then that they began to consider using the port of 'Aqabah or the port of Mersin (or the port of Iskenderon) in order to ship their goods to Iraq. But they reached the conclusion that this would be neither easy nor practical. If the port of 'Aqabah becomes congested with goods coming in destined only for Iraq, then it would become all the more congested if it became the port which would receive goods destined for the other Arab countries as well.

Apart from the question of the capacity of a sea route and the additional cost which it would entail, using the sea route to export industrial goods to the Arab countries would also mean losing a fundamental advantage which was, and still is, the reason for the increase in such exports. This advantage is the flexibility resulting from the fact that Lebanon is geographically close to these nations and Lebanon's ability to rapidly respond to their needs. Lebanese exporters are able to respond to the needs of their clients in the Arab nations by shipping goods to them overland within the space of a few days and always within the space of one week. This ability to rapidly respond to their needs would be totally eliminated if they had to utilize the sea route.

#### An Overall Arab Boycott

If this were the situation if only Syria boycotted Lebanon, what would it be like if all of the Arab nations, or nearly all of them, boycotted Lebanon as they boycotted Egypt?

Although this is very unlikely to happen at the present time, it is worthwhile mentioning the fact that, if it did happen, it would mean a genuine catastrophe for Lebanon. Such a boycott, with all of its fatal consequences, might not allow Lebanon time to search for ways to solve the problem--not even gradually. The Arab nations, as we know, constitute the principal market for more than 80 percent of Lebanon's exports. With such a high percentage of Lebanon's exports concentrated in one area, it would be difficult to redistribute them to new markets in a short period of time. However, let us once again say that this appears not likely to happen, and our basis for believing this is what happened to Egypt. Dealings between Egypt and the Arab nations have continued in many areas. Furthermore, the Lebanese-Israeli agreement, as far as its political content is concerned, is not an agreement which is on a par with the Camp David agreement, with its political content, since the Camp David agreement contained provisions concerning peace, mutual recognition, diplomatic relations, etc., with Israel.

Furthermore, the Camp David agreement was the first of its kind with Israel and was consequently more fatal in terms of its consequences, whereas the Khaldah-Netanya agreement is the second such agreement between an Arab nation and Israel and has been made under circumstances which Lebanon considers the general situation in the Arab world to be largely responsible for.



But if such a boycott takes place, dealing with the consequences of the boycott will involve going beyond normal solutions and will involve a fundamental revision of Lebanon's economic infrastructure. A Lebanon boycotted by the Arab world would be different from present-day Lebanon--in every sense of the word.

#### Alternative Markets

Although this latter event is unlikely to occur, the very fact that the possibility of it occurring has been brought up has lately induced people to talk about the necessity of looking for markets which would serve as alternatives to the markets of the Arab nations. Discussion concerning this subject started to be heard before the agreement was signed, that is, when it began to be more difficult to export goods to Saudi Arabia because of the certificates of origin. Discussion concerning this matter increased due to false or nonobjective interpretations of the initiative taken by the National Foreign Economic Relations Council to conclude commercial agreements with a number of European nations--especially since they also involved Eastern European nations. In addition to this, the head of this council, Mr Sami Marun, wishes to conclude agreements which involve a minimum of equality [in the balance of trade with these nations] since the [Lebanese] public sector, for a number of years into the future, will be the largest Lebanese importer [of personnel and materials] for equipping and overhauling its facilities and infrastructure projects. Marun considers that this situation, in addition to the fierce competition which exists worldwide, constitutes an opportunity which should enable Lebanon to bring about some degree of balance in its foreign trade and force foreign nations to accept some of its exports in return for the products which Lebanon imports from these foreign nations.

One could say that Lebanon's effort in the direction of creating markets for its exports does not involve looking for alternatives to the Arab markets as much as it involves an effort to regain markets which Lebanon either partially or totally lost as a result of the war and its bad security situation and to consequently diversify these markets as much as possible. Depending on a single market even under normal circumstances involves risks and dangers which would arise not necessarily due to a boycott, but rather due to the occurrence of unforeseen circumstances in the market which the country depends on. This is what happened to Lebanon when the purchasing power of Iraq decreased as a result of Iraq's war with Iran. During this war Iraq began to set emergency terms and conditions including the postponement, for more than a year, of the payment of the value of the credit extended to Iraq.

The fact is that switching over to non-Arab markets involves objective obstacles which cannot be dealt with by trade agreements, no matter how fair they are to Lebanon. These obstacles are the following:

1. Lebanon's industry emerged and developed as an industry which depended on Arab markets--and this appears to be something which was only natural due to Lebanon's geographical proximity to these Arab markets and the dynamic

nature of Lebanon's commerce--and relied on Lebanon's industry having a competitive edge in the case of a number of consumer products. In the early seventies Lebanon's industry made some serious efforts to enter new markets in Europe and Africa, and these efforts resulted in some initial successes before the events of the civil war swept away these successes while they were still in their early stages. Renewing these efforts right now is something which requires time, effort, and money, especially since they are taking place during a time of economic recession, [increased] competition, and escalating protectionist tendencies.

2. Most of the industrial goods sent to the Arab nations are goods which have been adapted to the requirements and specifications of these nations. The specifications required by these nations are not definite and exact ones, as is the case with other nations where the approach toward protecting consumers is a different one.

3. Right now Lebanese industry is suffering from a noticeable lag in terms of its technology and methods of administration in comparison with the developments which are currently going on [in other nations] in the area. This has made it difficult for Lebanese industry to maintain its ability to compete. In spite of this, exports to the Arab nations increased, even during the war, in view of the enormous purchasing power which the Arab nations acquired as a result of the oil boom.

4. The increase in the current cost price of Lebanese industrial and agricultural goods constitutes a basic barrier to Lebanese exports penetrating the European markets--which are organized markets and are markets governed by regulations, legislation, and principles, which are difficult to deal with. Before attempting to penetrate these markets it will be necessary to revise the high prices which appear to be wholly unjustified. Undertaking such revision will require effort, time, and planning, and it will also require government aid which it may not be possible to get at present.

5. Lebanon's return to clearing agreements, which it previously abandoned without any justification, comes at a time when all nations are following the inclination toward free trade agreements--the purpose being to stimulate international trade and combat protectionist policies.

From all of the above one can infer that the creation of markets which are alternatives to markets in the Arab world is something which would not be easy at all. In fact, this is something which, for the foreseeable future, would be nearly impossible. The only thing which can be accomplished in this area is to create temporary breathing spells which, however, would not be able to prevent the [eventual] occurrence of huge losses.

It should be emphasized that Lebanon is fully aware of the danger of such a boycott and that this was, and still is, a deterrent in its negotiations [with Israel]. The danger of such a boycott constitutes a line which Lebanon will find it difficult to cross until political change occurs in the Middle East--and some people feel that this is about to happen.

Table 1. Development of Lebanon's Export Markets  
(with figures showing percentage share of Lebanese market)

	<u>1974</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
<u>Arab nations</u>	51	86	80	84	83
Syria	8	8	15	11	7
Jordan	22	7	5	5	11
Iraq	5	23	17	26	22
Kuwait	4	4	5	5	5
Saudi Arabia	23	36	31	27	30
UAE	4	3	3	3	3
Other Arab nations	5	5	4	7	5
 <u>Non-Arab nations</u>	 47	 12	 18	 12	 11
U.S.	4	-	3	2	3
Common Market nations	26	-	6	4	3
Free-trade zone nations	11	-	4	3	4
Other European nations	1	-	2	1	0
Socialist (CEMA) nations	2	-	1	1	1
African nations	1	-	1	0.5	0
Asian nations	2	-	1	0.4	0
 <u>Other nations</u>	 2	 2	 2	 4	 5
<u>Total</u>	100	100	100	100	100

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DIRECTOR OF HIGHER EDUCATION INTERVIEWED

Riyadh AL-RIYAD in Arabic 22 Jun 83 p 11

[Interview with Dr Sulayman Bakr Sindi, Director of Higher Education, by AL-RIYAD correspondent, "Multiplicity of Universities Means That We Are Moving in a Sound Direction," date and place not specified]

[Text] The Directorate General of Higher Education is considered one of the relatively new directorates in the Ministry of Higher Education. The interview with the director general of this department, Dr Sulayman Bakr Sindi, was conducted to give an idea of the progress of this directorate and a look into the reality and future of higher education in our country, especially since this education has made huge strides in the past 30 years. In 1373 h. [1953], there were only 21 university students, and now this has jumped to more than 68,000 male and female students, in addition to more than 12,000 students continuing their university studies outside of the kingdom.

Technical Work

At the outset of the interview, we asked Dr Sulayman Sindi about the nature of the work in the Directorate to Develop Higher Education.

[Answer] This directorate encourages technical work in the first place, based in its entirety on follow-through, evaluation, studies, examination, planning, comparison and extracting the results. If you are asking specifically about the activities that the directorate performs as an organization that pursues its activities within the framework of a comprehensive organization for higher education, let me tell you briefly about some of the aspects of the work which the directorate does.

You should know that under the aegis of the comprehensive plan for social and economic development in the kingdom, and the progress that this development has achieved toward prosperity and the good life, several pressing necessities have come to light. In the forefront of these is the need to develop national technical cadres, which can shoulder the new burdens and duties assigned to them, that is, the need is for a highly qualified work force. Therefore, the kingdom's special concern is for higher education.

The basis of any firm, widebased cultural resurgence is concentration on the role of education. We have progressed from one university in the kingdom, the King Sa'ud University, with only one college, the College of Literature

with only 21 students in 1377 h. [1957], to seven universities today, in addition to 10 colleges for women. King Sa'ud University alone has 17 colleges, and all the universities have 62 university colleges, in addition to the 10 colleges for women. As of this year, some 68,891 male and female students to to them to receive their education, with an additional 12,505 students pursuing their studies abroad (according to the statements of the educational offices abroad). This is a quick indication of the progress made by higher education within a short period of time, which almost represents a sign of the need to free the effectiveness of the universities, so that they can work with all their capabilities without obstaclws, to give a kind of stability to planning, to determine the requirements, to meet the problems that all of them face, and so that the kingdom can give them the support to fulfill these needs. However, at the same time, each university must always be informed regarding educational activities underway at the other universities, for the purpose of coordinating efforts and planning in order to supplement the actual requirements of the kingdom. Moreover, the efforts of the universities collectively should be clear to students of the higher education movement and those who plan for and supervise it, in addition to the planners of national development. This is the role carried out by the General Directorate for the Development of Higher Education. In brief, it is done through studies, research and statistics. It is the connecting link between the universities themselves and between the universities and the Ministry of Higher Education. It is the area which, in final form, crystallizes in order to gradually make higher education a true indicator for the scholars and planners.

By its very nature, the work inside this department, which to a great extent is like one of the educational laboratories, is done through cooperative channels. The office of statistics looks after any changes in the number of students and the progress of the educational process from each year's data in all fields. There is a department of planning and coordination with the other educational organizations, an office for research and translation and a center for information which includes a central library and a documentation section. In this area, we are guided by international expertise on the highest level, through a joint project of UNESCO, the UN Development Office and the ministry. Three experts in development of higher education work in the directorate. We are about to begin, in the next few days, a new joint project with UNESCO, to establish a unified and inter-related system of information among the universities. I should also point out that all these efforts are documented and recorded in periodic publications issued by the directorate, from statistical books to manuals, indices, studies, explanatory graphics and the like.

#### A Sound Direction

[Question] What can you tell us about the multiplicity of universities in our country, and the developmental services offered to them by the Directorate to Develop Higher Education?

[Answer] The multiplicity of universities mean that we are moving in a sound direction toward fulfillment of the urgent needs of the development movement,

so that we can limit foreign expertise, and it also means a number of open doors for our children that will lead them to a great future and provide them with a prosperous life, as well as giving them the opportunity to better serve their country.

As for the developmental services provided by this directorate to the university, perhaps I should point out that when we issue a book, whether it be the annual statistical book or some book like, "Development of Higher Education During the Past 10 Years," we thereby enable each university to put itself in the overall picture and learn what is going on in the other universities. In light of this, it can determine for itself its future plan. In light of this, there might be fewer acceptances in some specialty or other, or the number might be increased in order to go along with the final data of the educational process, by which development plans are determined. On the other hand, the project of unified and inter-related university information centers will allow each university to save time and effort, and they will become informed of the others' accomplishments.

Development here represents two matters: development in services, through which the universities can fulfill their mission, and development in directing the university services to fulfill growth needs by explaining the general and future outlook for universities, in order to help them make sound decisions with respect to guiding their students toward needed specialities.

#### A Limit On Sending Students

[Question] Can you tell us about the features of the new policy regarding sending students abroad to study and about the guarantees that are provided to protect our youth abroad?

[Answer] I also think that I should quickly talk about that. In general, the policy on sending students abroad to study is currently inclined to limit the number of students sent for baccalaureates, so long as our universities can provide this level of study with the various specialities, except for specialties which are not provided by the national universities. At the same time, opportunities for study abroad at higher levels are increasing.

As for the guarantees that you mentioned, they are represented in two ways. The student going abroad first takes a special course in the language to enable him to pursue his studies when he goes and to save time abroad. He also takes an awareness course to make him aware of the value of his religion and heritage and to enable him to overcome the period of mixing with the other sex, so that their customs and traditions do not affect him adversely. We pray God that our youth will return to us, with their values deeply anchored, especially after being exposed to customs that they reject.

#### Serving Dense Population Areas

[Question] The development movement in the kingdom requires intermediate skills between the worker and the engineer for example, which organizations

of higher education do not provide. What is the ministry's thinking regarding providing this need?

[Answer] Intermediate colleges provide this need. The kingdom has begun to implement this project, and this directorate has participated in drawing up specialized and comprehensive courses for them since it was merely an idea. We were aided in that by UNESCO expertise. Their locations were also chosen so that they could serve large, dense population areas, far from educational institutions, and so that they would be near work places and industrial organizations to take advantage of their workshops for practical training and, at the same time, to provide them with qualified instructors from the surrounding area.

This project, apart from its extreme importance, must be supported with all the financial allocations it requires, so that it does not fail in the long run.

#### Unlimited Aspirations

[Question] From this accomplishment, it is evident that the General Directorate to Develop Higher Education is making great strides.

[Answer] Let me tell you frankly. Man must be satisfied with his work and yet not satisfied with it at the same time. He is satisfied with it through his conviction that his heart has become contented with his work, although he is not satisfied because of the distance between what he has achieved and his aspirations and hopes to increase and improve what he has. We have unlimited aspirations before us. Do not judge us today. This directorate is the newest in the Ministry of Higher Education, i.e., a new directorate in a new ministry. Give us time; wait to see what we can do. By the nature of things, the directorate's resources are still limited, both material and human resources. Can you imagine that we issue some of our publications, for example, from within the directorate and without the necessary facilities? We create new methods of publication without our having printing machines. We do glorious bookbinding without our having printing machines. We do glorious bookbinding without artisans or materials. In due time, it was decided that the directorate should have a computer for example. What do you think our work will be like when these tools and needs are fulfilled?

7005

CSO: 4404/463

AFGHANISTAN

PAKTIA GOVERNOR ON EDUCATION, AGRICULTURE, INDUSTRY

Kabul DEHQAN in Dari 18 Jul 83 p 6

[Interview with Paktia Governor Mohammad Anvar by DEHQAN; date and place not specified]

[Text] In order to implement the decisions and ratifications of the 11th plenum of the central committee of the People's Democratic Party of Afghanistan for the economic growth and development of the country, seminars on the activities of the Ministry of Agriculture, the Party and government activities of the Ministry of Irrigation and the secretaries of the provincial party committees were held in the country.

Comrade Babrak Karmal, the general secretary of the central committee of the PDPA and head of the council of ministers of the Democratic Republic of Afghanistan, spoke with the seminar participants and provided guidance to the officials, calling their attention to their responsibilities to raise the economic level of the country.

In the governors' seminar held for this purpose, the duties of the local organizations in cooperating with other government offices and provincial party committees to implement the decisions of the 11th plenum for the economic growth of the country were highlighted.

It must be pointed out that during these seminars, regional problems were brought up and discussed and talks were held with officials of the capital and the provinces.



The DEHQAN correspondent held an interview with Mohammad Anvar, the governor of Paktia, who took part in the governors' seminar, which is presented below.

In the beginning of his talk, the governor of Paktia Province said:

"Paktia is a mountainous province with a population of 800,000. It has little farm land. It covers 17,772 square meters, including 4,499 square meters of forests.

"The workers of Paktia Province defend the gains of the revolution at every moment and as a result of their valor and bravery, the counterrevolutionary elements have been unable to engage in terrorist acts.

"The workers of the region have been able to prevent the influence and terrorist acts of the rebels in their areas and live in tranquility. The people of the districts of Ahmad Kheyl, Zarmat and Sahak come and go safely every day to Gardez. With the revolutionary work of the people of this province, the road between Gardez and Kabul has been open and oats and (archeh) wood are transported speedily to Kabul such that in the first quarter of the period 21 March 1983-20 March 1984, 120,000 tons of wood was transported to Kabul."

#### Self-Sacrificing on the Revolutionary Path

The governor of Paktia said:

"The working people of Paktia Province, realizing the goals of the revolutionary party and the government, have formed groups to defend the revolution and armed voluntary groups in the local branches to defend the gains of the revolution and fight to destroy the enemy.

"In this Province, 63 local groups have been formed. The workers discuss their problems in these groups and make decisions to protect the people and the region against the murders and terrorist acts of the counterrevolutionary gangs.

"The working people of this Province have been organized into groups to defend the revolution and to preserve the complete security of the region. Presently, 880 persons in 44 groups are armed to defend the revolution, the people, the villages, crops and the gains of the revolution and are determined to destroy the last remains of the enemy.

"For better security, the workers of Paktia Province have formed two voluntary groups. Group No 1 of Ahmad Za'i has 1,000 members

and there are now 513 armed members in this group. Group No 2 of Gardez has 2,500 members, of which 1,130 are presently armed to protect the country. The arming of the above-mentioned groups continues.

"The groups defend the revolution and the voluntary groups protect villages, village roads and government institutions. The security of the roads between Gardez and Ahmad Kheyl, Gardez and Zarmat and Gardez and Lowgar is provided by the people and the voluntary groups.

"Contact with the migrating Musa Kheyl and Ahmad Za'i tribes continues. During the current year, more than 500 deceived families were returned to Paktia and Lowgar. As a result of this contact, since two years ago, the security of Zarmat district and its subdivisions have been provided by these migrating tribes.

"With the creation of a secure atmosphere in Paktia Province, numerous family members have returned home and live in tranquility.

"The number of members of families who returned to their homes from Lezheh Ahmad Kheyl, Jani Kheyl, Musa Kheyl, Mangal and Zarmat during the period 21 March 1982-20 March 1983 and the first quarter of this year have reached 1,500 persons. Every day a large number of deceived ones return home to resume their normal lives."

#### Gathering in Social Organizations

The above-mentioned said in regards to the gathering of the workers in social organizations:

"The provincial council of the national front of the fatherland of Paktia Province and the council for Seyyed Karam, Lezheh Ahmad Kheyl and Jaji, in which the elders of various tribes have gathered for the purpose of unity and solving their problems, were established a year ago.

"It is necessary to make mention of the cooperative movement in Paktia Province.

"The provincial council of the farmers cooperative union in Paktia Province was established and 15 agricultural cooperatives have been created in Gardez, Lezheh Ahmad Kheyl, Jaji and Zarmat. In these cooperatives, 1,123 farmers are members. The farmers who are members of the above-mentioned cooperatives obtain their fertilizer, sowing wheat and other necessities through the cooperatives.

"The perishable cooperative of Mohammad Qasem Shahid, which has 300 members, was established recently. The capital of this cooperative is 500,000 afghanis at the present time.

"Guild unions, which are formed of and benefit from many trade guilds, were also established in Gardez and Seyyed Karam districts.

"Eleven land reform guidance committees were created in Paktia Province.

"In the second phase of the democratic land reform in this Province, work continues seriously. Thus far, 17 villages in Gardez have been served and land deeds have been distributed to 109 people. The work of evaluating and distributing land deeds continues rapidly."

More than 2,000 Students Study in Gardez

The governor of Paktia said:

"More than 2,000 students are engaged in studying in Gardez schools.

"These students are taught in 'Abdolhay Gardezi School, the experimental school, the theological school, the women's school, Gardez elementary schools, Kanda Khey1 Seyyed Karam School and Aryub Jaji School. The Gol Simeh School was established recently in Gardez and the Khajeh 'Ali School, which was destroyed four years ago by counterrevolutionary elements, has been put into operation again."

Creation of a Secure Atmosphere

Concerning social services, the governor of Paktia pointed out:

"With the creation of a secure atmosphere, with the help of the workers of this Province, in Paktia Province, the government offices and institutions have been able to accomplish valuable tasks to serve the people during this past year, which include:

"The construction of the 800 family housing project of Gardez, begun last year; thus far, 313 titles have been distributed among the people. Rapid construction work on the project continues.

"Seventy km of roads in Gardez, Seyyed Karam and Lezheh Ahmad Khey1 districts have been repaired.

"The Paktia development project for wood products, such as tables, (chowki), (almari) and (chaparkat), and metal products, such as water pumps, hand (kerachi), tables and (chowki). Also,

the cover for (chekchah ma'eh) and (bolul) have been built under the auspices of this project. In addition to serving the needs of Paktia, the products of this project are sent to Paktika and Lowgar Provinces.

"Work on the (Melki) Gardez air field, which is 2.5 km long and 50 meters wide, has been completed by the public welfare management organization and is ready for flights.

"During the period 21 March 1982-20 March 1983, veterinary and animal husbandry management of Paktia treated more than 200,000 animals and vaccinated 38,000 animals.

"In the spring of this year, 42,500 fruit and non-fruit saplings were planted by the Paktia project and Paktia [illegible] Province to make the region green.

"The operation of a 320-watt electrical power plant by Gardez (Amer) [electrical company] has provided the city of Gardez and parts of the camp with electricity.

"In this Province, 720 truck, taxi and service motor vehicles are in operation, including 300 trucks. The trucks transport the wood needed in Kabul and from Kabul, they go to Heyratan and transport the necessary items of Paktia to Gardez.

"The transportation of the equipment and necessities of Seyyed Karam and Lezheh Ahmad Kheyl districts are also carried out by these trucks. Whenever the committee of summons in Kabul is not using these trucks, we are prepared to transport wood needed in Kabul."

More Work to Implement the Ratifications of the 11th Plenum

In implementing the decisions of the 11th plenum of the central committee of the PDPA:

"Efforts are being made to provide the necessary fuel wood in Kabul and to create more transportation means for this Province. Also, efforts will be made by the Paktia development project to raise the level of production.

"During the current year, the 800 [units] of the family housing project will also be distributed among the deserving people. In like manner, the level of agricultural production will be raised."

In concluding his talk, the governor of Paktia expressed his expectations for the cooperation of government organizations in the following areas:

1. The creation of a tar factory in Gardez is one of the necessities of this Province in order to provide tar for the Gardez air field and the necessary areas in Seyyed Karam, Lezheh and Jaji.

2. Construction of the (mojalafu) dam for electrical power in Seyyed Karam is a major necessity in providing electricity for the city of Gardez and the districts of Seyyed Karam, Lezheh Ahmad Kheyl and Jaji. Also, from its canals, Seyyed Karam, Gardez, Zarmat, (Tagalu), (Kona Kheyl), Osman Kheyl and Milen will be irrigated.

3. In order to prevent the increase in fuel wood prices, the Ministries of National Defense and Interior should not sign contracts with the dealers in Kabul, but should have direct contracts with the related sources in Paktia Province.

4. Although the Gardez air field can accommodate the Bakhtar airplane, we request that preparations be made for airplane flights there.

Information Branch of DEHQAN

10,000

CSO: 4665/13

## ANALYST WRITES ON OUTCOME OF ARKHIPOV VISIT

Madras THE HINDU in English 14 May 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, May 13.

A new element of flexibility in Moscow's stand on Afghanistan was discerned during the talks the visiting Soviet First Deputy Prime Minister, Mr. I. V. Arkhipov, had with the Indian leaders in the last two days on both bilateral and international issues, according to well-informed sources here.

The Indian leaders got the impression from these talks that the Soviet Union was not only going along with the efforts of the U.N. Secretary-General to bring about a political settlement, but it was also broadly in favour of the framework for negotiations evolved by his special representative, Mr. Diego Cordovez, for a time-bound withdrawal of its forces from Afghanistan, subject to an acceptance of the present revolutionary regime by Pakistan followed by suitable guarantees from other powers like the United States.

As the most important country in the region, India has naturally been following these developments with great interest in the hope that the U.N. Secretary-General would succeed in settling this difficult problem to all-round satisfaction. An early breakthrough in these complex negotiations would, in India's view, create a helpful climate for tackling equally difficult issues like the Iran-Iraq conflict and paving the way for a positive approach free from big power entanglements to the Palestinian problem which is the root cause of all trouble in the entire West Asian region.

**PM's talk with Arkhipov:** The Prime Minister, Mrs. Indira Gandhi, had a further talk with Mr. Arkhipov on the general international situation at a private lunch she gave in his honour at her residence. The two had a wide-ranging exchange of views on several issues.

It was put across by the Indian hosts with greater emphasis in the course of these discussions that a positive Soviet response to the NAM appeal that the next U.N. General Assembly session should be attended by heads of Government for at least a week to be able to take a global view of problems like peace,

disarmament and development would be most helpful in mobilising world opinion for cooperation instead of confrontation.

The Soviet Deputy Prime Minister seemed to share the Indian concern that unless some such dramatic initiative was taken, the current drift is bound to intensify the current international tensions, but Mr. Arkhipov was not expected to indicate at this stage the likely Soviet response to this specific suggestion although he was not in any way averse to the idea in principle. He gave the impression that Moscow was giving consideration to the NAM suggestion and would take the necessary decision well before the U.N. General Assembly session.

**Global negotiations:** Another point that India made was that, whatever its past reservations over the pleas for a new international monetary system, the Soviet Union could not afford to function in isolation, since the present global economic crisis has made the world increasingly conscious of the interdependence of different systems and regions. It was put across with considerable delicacy to Mr. Arkhipov that the Soviet Union should at least keep an open mind while giving some serious thought to the NAM proposal for an international conference on money and finance for development with universal participation, without rejecting the idea outright and refusing to participate in such a conference.

Turning to bilateral relations, both sides agreed that it was no use trying to balance the adverse trade by simply curtailing the imports or exports. A conscious attempt should be made to diversify trade by including more commodities in it. The Soviet side evinced considerable interest in the Indian proposal for importing more crude oil, petroleum products, fertilizers and cement to offset the adverse balance and utilise the internal sales for generating rupee reserves to meet the local expenditure on many Soviet-aided projects for which rouble credits have been offered to pay for equipment and services.

Apart from the Vizag steel plant and the alumina project on the East Coast, the Soviet

Union has offered assistance for the proposed Vindhyachal super thermal power station, open cut coal mines at Nigahi and Mukunda reactivation of abandoned oil wells and off-shore drilling in different basins, development of non-ferrous metals industry, and cooperation in electronic and computer manufacture, besides increased cooperation in the defence sphere.

**Manufacture of MIG aircraft:** The Government of India has more or less decided to give up the manufacture of Mirage-2000 with French collaboration and concentrate on developing the MIG production line to manufacture the MIG-27 aircraft.

An interesting and politically significant feature of Mr. Arkhipov's visit has been that he has chosen to accept the invitation of the Congress (D)-sponsored Friends of the Soviet Union (FSU) to hold a reception in his honour, instead of the Indo-Soviet Cultural Society (ISCUS) which has been functioning all these years as a semi-official organisation with active Soviet support. He also extended his stay in India by a day to be able to pay a brief visit to Kashmir with the unmistakable implication that Moscow continues to acknowledge that it is an integral part of the Indian Union.

CSO: 4600/1193

## INDO-U.S. RELATIONS STRAINED OVER ADB LOAN REQUEST

Madras THE HINDU in English 19 May 83 p 8

[Editorial]

[Text]

SINCE THE TIME India gave notice of its intention to borrow from the Asian Development Bank; ending years of its self-denying role as only a contributing member, the response from the Bank's management as well as from influential members has not been enthusiastic. The size of the assistance sought was not by itself too large even in terms of the ADB's scale of operations — it was envisaged at an annual average of \$ 400 millions over the five years, 1983-87. A firm decision, however, was put off till the Bank's proposal for a third general capital increase of 125 per cent was acted upon. In the event, at the recent meeting of its Board of Governors, a lower increase of 105 per cent was finalised and the indications are that the Indian loan application faces obstacles all along the route. The most vociferous opposition comes from the United States which is an influential non-regional member (though not with so much weightage as in the World Bank). The U.S. Treasury Secretary, Mr. Donald Regan, reiterated the American administration's opposition before the Senate Appropriations Sub-Committee in March on the ground that the larger countries like India and China would cut into the share of the region's smaller nations. Indeed, one of the main arguments against the Indian application has been that the ADB is specially geared to meet the needs of small countries while institutions such as the World Bank take care of nations such as India and China. Secondly, the Bank's management has pushed forward the strange thesis that ADB assistance would not make a net contribution to the total aid received by India as the donors in the India Consortium would then reduce their contributions proportionately.

It is significant, though, that India's eligibility to borrow has never been questioned — going by its per capita income and population, it

would be entitled to a substantial proportion of the Bank's disbursements. True, there was an understanding initially that it would not be a borrower, but the current harsh international environment and the strains on the balance of payments have given rise to a new and pressing need for additional sources of development finance. And insofar as the Bank's operations are concerned, the large traditional borrowers like Indonesia and Bangladesh are not exactly small countries; the two largest borrowers, South Korea and Indonesia, have per capita incomes substantially higher than India's. It is significant too that India has not made demands on the Bank's soft loan window, the Asian Development Fund. The projects that the Bank has been sounded out on include railway modernisation and power generation which are in line with its past activities. Indeed, even if political considerations were to tilt the Bank against the Indian demand, it would be hard put to it to come up with a convincing explanation. The sustained American opposition to the loan is a matter for some concern though it remains to be seen how far the Reagan administration will go in blocking it. India has in the past obtained loans from the World Bank and the IMF in the teeth of not-so-serious U.S. opposition. The statement of the American Under-Secretary of State, Mr. Eagleburger, after his visit to New Delhi last November that the U.S. was not engaged in a major campaign around the world against the loan did raise the hope that the opposition this time too would be of the non-serious type for the record. But the Treasury Secretary's continuing and vocal criticism of the Indian stand has introduced new strains in bilateral relations between the two countries and the Prime Minister has recently drawn pointed attention to Washington's attempts to block international credit to India.



ANALYST: INDIA NOT KEEN ON U.S. ARMS DEAL

Madras THE HINDU in English 22 May 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, May 21.

The Defence Ministry in Delhi continues to maintain that India is no longer engaged in any negotiations for the purchase of American arms, while the State Department in Washington has been putting out reports from time to time that this country is still interested in acquiring certain categories of U.S. arms like 155-mm howitzers, 50 heavy calibre machine-guns and C-130 transport aircraft worth about \$1 billion.

The talks for the purchase of this equipment were initiated in early 1980 after the present Government came to power as part of a wider policy of diversification, but the discussions were abruptly called off under instructions from Delhi when the former Defence Secretary arrived in Washington to finalise the transaction.

The reason then given for this sudden reversal of policy was that, apart from the high cost of American equipment, the U.S. manufacturers were not prepared to let India make these items under licence, or produce the ammunition locally with their technical collaboration, after the initial purchase of these arms which included anti-tank TOW missiles.

### Defence Ministry's denial

Defence Ministry sources are now emphatically denying that the suspended talks were resumed after the visit of the Prime Minister, Mrs. Indira Gandhi, to Washington in mid-1982.

But the State Department has been saying, in response to queries from the U.S. press, that the talks are still on in the sense that the possibilities of a limited arms deal continue to be explored at appropriate levels by the two Governments.

The implication is that, though these talks had been prolonged inordinately over the licensing issue to the point of being left in a state of indefinite suspension, the intention to acquire this equipment under more favourable conditions has not been altogether abandoned, since India is said to be still interested in it.

### Different view

The External Affairs Ministry has, however, been taking a different view in the belief that these reports are being put out from Washington at this stage with the obvious purpose of queering the pitch for the

forthcoming visit of the Defence Minister, Mr. R. Venkataraman, to Moscow for talks on increased Indo-Soviet defence cooperation.

Another possible motivation behind the official confirmation by the State Department of the reported Indian bid to buy American arms could be to generate new hopes of increased Indo-American cooperation, on the eve of the Secretary of State, Mr. George Shultz's visit to Delhi at the end of June.

If it is confirmed that India is trying to acquire American howitzers, heavy machine-guns and anti-tank missiles even in limited quantities, it could take the sting out of the Government's incessant campaign against arms sales to Pakistan. Though the purchase of a hundred howitzers or a few hundred heavy machine guns by India from the U.S. cannot in itself justify the American policy of starting a new arms race in the sub-continent by rearming Pakistan on a massive scale, it would expose India politically to the charge of attempting to deny Pakistan the same opportunity to get arms from the U.S. irrespective of the quantities involved in the two transactions.

An unfortunate feature of Indian arms purchases is that, while all its transactions with the Soviet Union are on a Government-to-Government basis, the deals that are struck with the Western countries even at Governmental level involve payment of commission to Indian middlemen representing the firms concerned.

### Pressure to clinch deals

So a powerful Indian arms lobby with high political connections continues to exert pressures from behind the scenes for clinching some of these transactions, or reviving the suspended negotiations for finalising the deals through a marginal revision of the terms.

It is difficult to pin-point what role these arms lobbies play in spreading the net wider for acquiring the latest marks of sophisticated weaponry from different sources. And there are always some influential people speaking unofficially in the name of the Government, even when the Government is not actively engaged in such negotiations, about what categories of equipment would be acceptable under what conditions, leading to a lot of avoidable confusion.

## ANALYST DEPLORES GANDHI 'FOREIGN DEVIL' THEME

Madras THE HINDU in English 15 May 83 p 2

[Article by G. K. Reddy]

[Text]

**T**HE public is no longer amused by the Prime Minister's frequent assertions of foreign interference in the nation's internal affairs, the alleged attempts of some unnamed powers to undermine its independence. The people have become so accustomed to this talk of the invisible enemy that they do not react, as they should, to the dangers of destabilisation that all developing societies are exposed to these days through a combination of their inherent weaknesses and external pressures, when they are not strong enough to consolidate their freedom.

It is not unusual for a society in flux, faced with political difficulties and economic stagnation, to look around for alibis to deflect discontent or explain away the inadequacies of the system. But one cannot afford to cry wolf too often without running the risk of losing credibility and becoming an object of ridicule in the eyes of one's own people.

It is easy to conjure visions of sinister conspiracies to see a hidden foreign hand behind anything that goes wrong through our own failures, but hard to carry conviction if all those who question the validity of one's views or legitimacy of one's actions are automatically dubbed foreign agents or decried as pathetic pawns in a relentless power game being played by some hostile foreign country bent on doing one down.

**Covert acts**

The world is not run by angels exuding goodwill or overflowing with compassion, but by both good and bad personalities bent on exploiting every available chance to enhance their supremacy and extend their influence. It is only when a country is weak and vulnerable, a society is disaffected and distracted, that malevolent foreign powers feel encouraged to indulge in covert or overt acts of subversion to dominate it.

A country that is not torn asunder by internal dissensions, through a crisis of character or conflict of interests, does not easily succumb

to such foreign machinations, so long as it possesses the capacity to rise above the rut of its contradictions and learn to live with its imperfections.

The foreign devil theory, more often than not, is a sad reflection of one's own waning faith and inability to cope with the challenges of changing times with the requisite self-confidence. If the human body can become increasingly susceptible to serious infection through debility and disease, so is a country rendered more and more vulnerable to foreign interference in the wake of its own weakness and lack of a proper sense of direction.

The best way a developing society can insulate itself from threats of destabilisation is to fortify its spirit with an unfailing reliance in its own destiny and a firm determination to catch up with the lost opportunities and keep pace with the changing times. A country that is sure of its own destiny is hardly defenceless against such subversion.

**Proper distinction**

It does not behove well for a country of 700 million people to keep on complaining about foreign interference in the absence of conclusive evidence of involvement by any outside power in its internal turmoils, which are primarily a sad manifestation of its political diversities, socio-economic inequities and emotional imbalances.

The foreign intelligence agencies operate in India, as in every other country, waiting for an opportune moment to fish in the troubled waters to derive some advantage. But if the Government is unable to cope with such threats, it speaks rather poorly of its administrative competence.

But in doing so one has to keep up a proper distinction between the understandable activities of a foreign diplomatic mission in keeping itself fully informed of what is going on, say in Punjab or Assam, and the insidious attempts, if any, of their intelligence agencies to foment trouble, encourage dissensions and exert pressures.

It is not always possible to track down the culprits, confront their embassies with irrefutable details of their subversive activities and plug the loopholes to prevent such interferences in future. The Government can at least refrain from confessing, while making accusations of such interferences, that it is in no position to prove these charges.

This whole business of raising a hue and cry against the CIA started after the 1969 Congress split, when Mrs. Gandhi was dependent on the support of the two communist parties and other radical elements for her survival in office. She needed this conspiracy theory to damn her opponents of being pro-American and, therefore, anti-Indian in their political attitude.

The Soviet Union deftly exploited this fear psychology to make the U.S. look the primary villain in the eyes of the Indian people. The opponents of Mrs. Gandhi did not say that the CIA was innocent of such interferences, but they wanted other foreign intelligence agencies like the KGB also to be accused of similar undercover activities without singling out the U.S. for summary condemnation.

#### Periodic tirades

After her landslide victory in the 1971 elections, Mrs. Gandhi was no longer dependent on communist support for survival, but she had by then moved closer to the Soviet Union. So she kept up her periodic tirades against the CIA maintaining that it was for the U.S. to prove its innocence even if India had no proof of its involvement in subversive activities or *sub rosa* encouragement of the rightist opposition.

Public opinion in the country went along with this extraordinary argument because there was a big outcry the world over against the CIA's role in assassination attempts and overthrow of Governments. The American protests fell on deaf ears since dissident groups within the CIA itself were leaking out information of the agency's global operations.

It was against this background that during the early Seventies the other leaders of the ruling Congress followed by Mrs. Gandhi's example joined in a countrywide chorus of condemnation of alleged U.S. interferences. It was conveniently forgotten and deliberately glossed over even by those who were well aware of it that after the 1962 Sino-Indian conflict, the CIA was allowed to open a liaison office in Delhi to cooperate actively with the Indian intelligence services and its help was sought in organising the Research and Analysis Wing (RAW), the country's external intelligence agency, some of whose personnel were sent to the U.S. for training in the use of highly sophisticated equipment.

These links, however, were severed after some years, well before the infamous Nixon-Kissinger tiff in favour of Pakistan during the Bangladesh conflict. From then on the CIA became the main target of the foreign interference theory so assiduously propagated by Mrs. Gandhi for domestic consumption.

The U.S. was put on the defensive in this psychological warfare, so much so that a tacit

understanding was reached that, if India had even remotely suspected any American diplomat or agent of engaging in subversive activities, he would be immediately withdrawn without asking for any proof of the charges. As a test case, India named a couple of Americans and Dr. Kissinger ordered their recall at once.

But the Government has not given the KGB and its East European affiliates a free hand to do what they wanted to do in the bargain. It is a fact that in the last 10 years more Soviet bloc diplomats have been asked to leave India than those from the Western countries for indulging in intelligence operations.

The CIA, nevertheless, remained the main *bete noire* for India, not without justification, because of its interferences in the affairs of both friendly and unfriendly nations. The result is that Mrs. Gandhi and her confidants instinctively tend to suspect an American hand behind anything that goes wrong in the country, unless they have evidence to the contrary that the U. S. was in no way responsible for it.

#### Incurable habit

The Prime Minister has not only been complaining of a foreign hand behind the Assam and Akali agitations, but she also said at the recent conference of Governors that some such sinister influences have been at work in the Southern States. In propagating this theory of destabilisation for whatever reason, there is every danger of the very originators of the campaign becoming the prime victims by believing in it through sheer repetition of the charges over a period of time.

If Mrs. Gandhi is too shrewd a politician to succumb to it, there are many in her camp who have already become typical case studies of Pavlovian reflexes since they have got into an incurable habit of blaming their failures on everybody else, ranging from the CIA and the KGB to the BJP and the RSS, depending on their political proclivities and changing convictions.

The malaise can assume the dimensions of an epidemic if Mrs. Gandhi does not take steps even at this late stage to discourage this habit by herself refraining from this strong temptation to smell a sinister conspiracy behind every unsavoury event.

What is perplexing to many of her admirers is that she has reverted to this old alibi after several years with no obvious justification for it. But those who are inclined to take a charitable view and give her the benefit of doubt feel that perhaps for want of better talking points she tends to harp back on some of these exploded theories during her speeches and press interviews on the happenings in Punjab and Assam.

And in either case a country of India's magnitude cannot be governed by conjuring visions of foreign interference to unite the people or explain away the inability to resolve intractable problems. The art of leadership lies in making a frank admission of difficulties to carry the people not in blaming somebody else for one's own difficulties in governing a complex nation.

ANALYST TELLS CONCERN OVER RELATIONS WITH PAKISTAN, PRC

Madras THE HINDU in English 18 May 83 p 1

[Article by G. K. Reddy]

[Text] New Delhi, May 17.

The Government of India went a step further today than merely registering a fresh protest against the formal opening of the Chinese-built Khunjerab Pass across the Karakoram in Pakistan-occupied Kashmir, by voicing the fear that it would become more difficult to resolve outstanding problems with both China and Pakistan.

An official spokesman who expressed this view, obviously with prior clearance from the higher levels of Government, maintained that it was not necessary to protest again, since the old protests lodged with both Beijing and Islamabad against the illegal construction of the strategic Karakoram road were still valid and equally applicable to the latest development.

But this time India has not confined its indignation to a mere protest against the illegality of the Sino-Pak. action. The Government has given expression to the apprehension whether it would be possible at all to normalise relations with China and Pakistan when the two countries were so evidently bent on sowing new doubts in India's mind about their intentions.

Several Protests

The first Indian protest was lodged as far back as 1969 when China and Pakistan started work on the Karakoram Road and the second protest followed in 1978 at the time of the opening of the highway through the Mintaka Pass and again when the Khunjerab Pass was opened last year. But China and Pakistan rejected all these protests claiming that they had a right to develop this trade route, glossing over its strategic importance.

The fact that India is reserving the right to protest again against the formal opening of the Khunjerab Pass, linking the Chinese road network across the Aksai Chin with Gilgit and Skardu in occupied Kashmir, is not in itself of any great importance but the observation of the official spokesman that "every further step taken by the Governments of Pakistan and

China, notwithstanding the Indian position, makes more difficult the solution of problems being discussed with each of the two Governments concerned."

The reference was to the border talks with China and the no-war dialogue with Pakistan, both of which have lately got bogged down into a slow motion phase in the absence of any meaningful progress over both these issues.

#### Doubts on Pak.'s Motives

The fact that Gen. Zia Ul-Huq has chosen to publicly reject the two Indian conditions for a peace treaty or no-war pact, one pledging the two countries not to lease bases to foreign powers and the other enjoining them to settle their differences bilaterally without any outside intervention, has made India wonder whether Pakistan is really keen on such an agreement. The timing of this tough talk by Gen. Zia is considered doubly unfortunate, since he has chosen to do so on the eve of the visit to Islamabad by the External Affairs Minister, Mr. P. V. Narasimha Rao, for the first meeting of the Joint Commission.

#### Slow-down on Border Talks

In the case of China, too, there has been a marked slow-down of the border talks with neither side taking the initiative for the next round of official-level discussions. It is regarded rather extraordinary that the Foreign Minister of Pakistan, Mr Yaqub Ali Khan, should fly to Beijing to acquaint the Chinese Government with the progress of the talks on Afghanistan, without taking India also into confidence about the remaining hurdles to a settlement leading to the withdrawal of Soviet forces.

The spirited manner in which India has reiterated its stand today on the Khunjerab issue is not in itself as important as what the official spokesman implied in his carefully worded observations wondering whether China and Pakistan were really serious about normalisation of their relations with India in this wider geopolitical quest for a strategic advantage in their dealings with it.

CSO: 4600/1200

## SUSPICIONS SAID TO SOUR TIES WITH PAKISTAN

Madras THE HINDU in English 24 May 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, May 23.

Once again, Indo-Pakistani relations are being soured by lingering suspicions about each other's attitudes, although the two countries have not been indulging in open recrimination.

An appearance of a shared interest in better relations is, however, being kept up on the eve of the first meeting of the Joint Commission in Islamabad next week despite the misgivings that continue to be expressed by both sides about each other's approaches to the two inter-related proposals for a simple non-aggression pact and a more comprehensive treaty of peace, friendship and cooperation.

The repeated references of the Prime Minister, Mrs. Indira Gandhi, in her election speeches in Jammu and Kashmir in the last three days, to foreign interference in Punjab and the fears she voiced about another Indo-Pak. conflict, have no doubt puzzled many observers here. But those who are better informed have been hinting that she has spoken with some knowledge of what has been happening across the border, while General Zia-Ul-Haq has been exuding goodwill and speaking eloquently of improving Indo-Pak. relations.

**Secret camps across border:** The Government has definite information about the existence of some secret camps across the border where training facilities have been provided for extremists involved in acts of violence in the course of the current agitation in Punjab besides supply of arms and ammunition to them. At what stage India is going to confront Pakistan with details of this involvement is difficult to say at present, but the authorities in Islamabad will not be left in any doubt about India's awareness of what was being done in a diabolical bid to destabilise a sensitive border State.

**False accusation:** The Pakistan Government, too, has been accusing India of encouraging the Al Zulfikar movement led by Bhutto's sons to avenge the execution of their father as part of a wider bid to pose a serious threat to General Zia's martial law regime. It is an

absolutely false accusation without any basis whatsoever, but a military dictatorship with no firm political base is more inclined to believe such things than an elected government with some semblance of popular support.

Though nobody is talking about it openly, the no-war dialogue has certainly suffered a setback in the wake of these mutual suspicions. There is little likelihood of any serious discussion on the subject in this atmosphere, during the visit of the External Affairs Minister, Mr. P. V. Narasimha Rao, to Islamabad next week, other than some polite exchanges to keep up the appearance of on-going negotiations.

**Earlier idea given up:** The earlier idea of merging the Indian and Pakistani drafts of a friendship treaty and a no-war pact with a single working paper by narrowing down the two concepts, as a mutually agreeable basis for further discussions, has been given up for the present in the light of these developments. The current misunderstandings about each other's intentions will have to be dispelled before some new life can be put back into the no-war discussions.

**Keeping up appearance:** But the two sides will keep talking reassuringly of their desire for normalisation, if only to sustain the public expectations of a more relaxed relationship, while the dialogue remains bogged down in mutual fears and suspicions. The Joint Commission meeting by itself cannot lead to any breakthrough in this sad situation when the two countries are unable to move forward to the next stage of abjuring the use of force for resolving the outstanding issues and pledging themselves to settle all their differences bilaterally through peaceful negotiations.

It was thought earlier that the improved prospects for a political settlement over Afghanistan would create the right atmosphere for other follow-up steps for relaxing regional tensions. In the absence of an Indo-Pakistani accord to insulate the area from big power rivalries, an Afghan settlement by itself cannot restore stability and create confidence in the region.

## ZIA REMARKS IN KATMANDU SAID TO 'IRK' INDIA

Madras THE HINDU in English 28 May 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, May, 27.

The Government of India has not taken kindly to the Pakistan President, Gen. Zia Ul Haq's plea in Kathmandu for a settlement of the Kashmir problem in the spirit of the Simla agreement and in accordance with the relevant U.N. resolutions to remove what he called the last hurdle to better Indo-Pakistan relations.

It is not so much what Gen. Zia said as the context in which he referred to the Kashmir issue in a third country that has irritated India, since he has chosen to speak on the subject in the midst of the current election campaign in the State and on the eve of the first meeting of the Indo-Pakistan Joint Commission.

There can be no objection to Gen. Zia's reference to the importance of a settlement of the Kashmir question, but the main thrust of the Simla agreement was that it should be resolved bilaterally through peaceful negotiations. The agreement did stress that the principles and purposes of the U.N. Charter should govern the relations between the two countries, but it did not directly say, or even indirectly imply, that the Kashmir issue should be settled in accordance with the old U.N. resolutions that have no relevance to the present situation.

The Indian view is that there can be no peace treaty or no-war pact between the two countries except on the basis of a firm commitment by both sides to bilateralism. The argument that as non-aligned countries India and Pakistan should not only abjure the use of force for settling their disputes but also refrain from offering bases to other powers to the detriment of peace and stability in the region is only a logical follow-up of their basic obligation under the Simla agreement to resolve all differences without any outside interference.

The External Affairs Minister, Mr. P. V. Narasimha Rao, will be leaving for Islamabad on June 1 on a four-day visit to attend the first ministerial meeting of the joint commission. When the trip was planned, it was decided to

extend his stay to four days to provide for informal exchanges on the two inter-related issues of a peace treaty and a no-war pact. But in view of the recent observations of Gen. Zia on the subject, taking a different position on the question of both bases and bilateralism, it has been decided that no useful purpose would be served by engaging in any substantial discussions at this stage.

So the programme that has been fixed for Mr. Narasimha Rao's stay precludes for all practical purposes any serious exchanges on political issues after the conclusion of the meetings of the joint commission. If the Pakistan President or Foreign Minister raises the issue, he will restate the Indian position and offer to discuss at an appropriate level and mutually convenient time any new ideas they may have on the subject.

Mr. Rao, accompanied by a dozen officials from different Ministries dealing with Indo-Pakistan relations, will arrive in Islamabad around 4 p.m. on June 1 and his Pakistani counterpart, Mr. Yaqub Ali Khan, will give a dinner in his honour the same night. The next day there will be two sessions of the joint commission followed by a return dinner by Mr. Narasimha Rao.

The following day will be spent on a sightseeing trip to Mohenjodaro near Sukkur, which will take three hours each way by a small plane, and Mr. Narasimha Rao will be back in Islamabad in time for a private dinner with Gen. Zia that night. He will be returning to Delhi after lunch on the fourth day after the two Foreign Ministers formally approve the recommendations of the sub-commissions.

The talks, if any, on the no-war issue will be conducted by the Secretary in the External Affairs Ministry, Mr. Natwar Singh, who is going one day ahead to Islamabad to work out the modalities for the first meeting of the joint commission. And he will be staying behind in Islamabad when Mr. Narasimha Rao goes to Mohenjodaro.

## EMISSARIES MAKE NO HEADWAY IN GULF PEACE BID

Madras THE HINDU in English 28 May 83 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, May 27.

The two Indian emissaries — Mr. Romesh Bhandari and Mr. Natwar Singh, both Secretaries in the Ministry of External Affairs — have returned from the Gulf area without making much progress in urging Iraq and Iran to end the 32-month-old conflict.

The only tangible gain has been the Iranian willingness to let Indian experts plug the leakage of oil from the damaged offshore wells subject to similar guarantees by Iraq to ensure the safety of the foreign teams working there.

As India sees it, the Iraq-Iran conflict has assumed a wider dimension in the wake of the oil spill spreading to the entire Gulf area from the damaged Iranian wells in the war zone. If the damage is not repaired soon, the seepage will pose a serious environmental problem seriously affecting even shipping in an area which meets nearly half of the world's oil requirements.

**Assurances sought:** Despite the experience they had gained in plugging the oil well that had blown out in the Bombay High with the help of the famous "Red" Adair team from the United States, the Indian experts would not be able to repair the damaged Iranian offshore wells without similar technical assistance. The Gulf States want India to use its good offices in obtaining proper assurances from both Iraq and Iran to enable the participation of foreign experts.

**Sense of urgency lost:** Though Mr. Bhandari was scheduled to go to Baghdad, after talks in Bahrain and Kuwait, he has returned to Delhi to ascertain from Mr. Natwar Singh the latest Iranian position before engaging himself in a parallel dialogue with the Iraqi Government on the more important issue of ending the con-

flict. As there has been no significant change in the Iranian attitude, the earlier sense of urgency in establishing fresh contacts with the two countries has been lost with the result that Mr. Bhandari is not rushing to Iraq to initiate fresh peace moves.

The External Affairs Minister, Mr. P. V. Narasimha Rao, will be going to Teheran in July to sign an agreement on the establishment of an Indo-Iranian Joint Commission. It will be the 36th in the series of Joint Commissions that India has set up with various countries, ranging from the United States and the Soviet Union to Mauritius and Seychelles, for promoting bilateral relations.

**Peace bid to continue:** During his talks with the Iranian Foreign Minister, Mr. Ali Akbar Velayati, Mr. Narasimha Rao will certainly counsel Iran to adopt a more flexible and moderate attitude in arriving at a lasting settlement with Iraq in the larger interests of peace in this sensitive region. The Indian policy is to keep up the peace effort despite the many hurdles to an early ceasefire which is an essential prelude to any negotiations between Iraq and Iran.

**Need for perseverance:** But if Iran continues to insist that the non-aligned community should condemn the Iraqi President, Mr. Saddam Hussein, for starting the war and that Iraq itself should pay the reparations as an admission of its guilt, while refusing to give up the disputed territory ceded to Iraq under the 1975 treaty as part of an overall settlement, there is little hope of an early breakthrough in the complex peace efforts to bring about a ceasefire. It will require a lot of perseverance on India's part to persuade Iran to tone down some of its conditions.



## WRITER CALLS DRIVE TO CONVINCE ARABS 'UNNECESSARY'

Bombay THE TIMES OF INDIA in English 25 May 83 p 8

[Article by Girilal Jain]

[Text]

THE government of India has launched a drive to convince Arab governments that Muslims in this country are not being maltreated and to impress Indian Muslims that Arab leaders recognise and appreciate its support for Arab causes. New Delhi has thus sent special envoys to Arab capitals, invited Arab journalists for interviews with Mrs. Gandhi and organised special radio and TV programmes. Some "overzealous" individuals in New Delhi are also visiting Arab embassies to plead India's "case".

New Delhi clearly considers all this as a normal diplomatic exercise which, in its view, has become especially necessary on account of the recent carnage in Assam. For it so happened that a vast majority of those who got killed in Assam in intra-ethnic (Bengali-tribal and Bengali-Assamese) clashes happened to be Muslims.

In acting the way it has, the government has ignored the important fact that by and large Indian Muslims have seen the killings in Assam to be what they were — the result of the Assamese-Bengali conflict with no specific religious-communal overtones and of the official decision to go ahead with elections to the Vidhan Sabha in a highly disturbed law and order situation. If an explanation is needed to be offered, it should have been to the Indian people, including Muslims.

Many Indians are unhappy over the government's moves on the ground that developments in Assam, as in Punjab or any other part of the country, are wholly our internal affair and as a sovereign

republic we do not owe an explanation to any foreign government. This is a legitimate view. It is, for example, inconceivable that Britain, the U.S., China, the Soviet Union or Egypt would ever discuss the problems of their minorities with any foreign government or agency. India's pride is humbled when its government seeks to explain its conduct in respect of any section of its own people to outsiders, be they Arabs or some self-appointed guardians of human rights in the U.S. Congress. And why only Arabs? Why not other important Muslim countries such as Indonesia (which has the largest Muslim population in the world) or Malaysia?

### Wrong Approach

The issue here is not just the infringement of national sovereignty; it is also the orientation of Indian Muslims. And it should hardly be necessary to point out that any move which encourages even a small section of the community to look to foreign governments and agencies for its protection and well-being would be contrary to the goal of national integration and that New Delhi's present efforts cannot but have such an undesirable result.

The government alone is not guilty of adopting this approach. The opposition has also reacted differently to Ambassador K. R. Narayanan's "informal meeting" with U.S. Congressmen to discuss Assam and the government's efforts to convince Arab governments that Muslims in India are not maltreated. Opposition leaders who were quick to denounce Mr. Narayanan have gladly acquiesced in the

latter moves. Apparently they too take it for granted that it is only right and proper that New Delhi should present its case on the treatment of Muslims to Arabs.

This is a shocking state of affairs. Implicit in it is acceptance of the Arab assumption that they are guardians of Islam and therefore of Muslims. They are nothing of the kind. Unlike Christianity, Islam is not an organised church. As such it has no headquarters and therefore no head. In any case, we cannot accede to the Arab view because that would be an invitation to them to interfere in our internal affairs. We have to reject and be seen to reject this self-assumed Arab role. Indeed, even in the case of Roman Catholic Indians, we cannot accept the proposition that the Vatican is entitled to inquire whether or not they are being treated properly in this country. The community, of course, has every right to ventilate its grievances and seek redress for them which they do.

Muslims are as divided along state boundaries as Christians or followers of any other faith. Despite all their rhetoric regarding Arab nationalism, the Arabs themselves are woefully divided so much so that even the Israeli occupation of Arab territories and invasion of Lebanon have not sufficed to bring them together. Indonesia and Malaysia virtually went to war in the late fifties and early sixties. On top of it, the old Shia-Sunni schism has got accentuated as a consequence of the Islamic revolution in Iran.

Whatever their problems and grievances Muslims are very Indian

and should be treated as such. Indeed, they make it a point to emphasise that they have stayed on in this country, because they rejected the two-nation theory. They no longer suffer from any sense of guilt on account of partition.

## Cultural Heritage

There is a great deal of confusion on this issue. For many Indians, Hindus or Muslims alike, have a wrong perception of the character of the Indian Muslim community. They take it that the community is and sees itself as part of a world-wide brotherhood. The reality is very different. Indian Islam is very much a product of the interaction between the faith, Arab and Persian cultures and the Indian environment which of necessity includes this country's variegated cultural heritage. Mother India, as Mr. Nehru said, sticks to all her children; Indian Muslims not excepted.

In fact this is true of Muslims in Pakistan and Bangladesh as well. They, too, cannot shake off their Indian heritage. But that is a different issue which we cannot discuss here because it would involve a long and complicated argument in respect of partition. Suffice to say here that partition was largely the result of the British policy of "divide and rule" and the secular forces which the British impact unleashed.

In any case, a powerful process of transformation of the Indian people along the lines of secular nationalism began with independence and this remorseless process does not leave any community any choice but to function as part of the larger Indian society, economy and polity. In two previous articles (May 11 and 18) I have tried to elucidate this point in respect of Sikhs. The forces in question influence Muslims equally because being in a minority except in the Kashmir valley, they have to come to terms with the larger reality.

Many of us, whether Hindus or Muslims, fail to recognise the

winds of change and their sweep for a variety of reasons. We are still too close to partition to be able to overcome fully the trauma of the disaster that followed. We are not sufficiently sensitive to the dilemma Pakistanis face in their search for a new identity. We continue to react to, and interpret, socio-economic conflicts in religious-communal terms. We have an unrealistic view of nationalism and the process of modernisation because we fail to appreciate that nowhere in the world have they led to the abolition of small entities and their self-awareness. While nationalism involves a measure of homogenisation, it does not produce a dull, monotonous uniformity — and thank God for that. We neglect the different social (caste) origins of Muslims, treat them as if they are a monolith and fail to relate the problems of upward mobility among them with similar problems among other people of similar background who have remained Hindus. We exaggerate the community's external connections. For instance, without any worthwhile evidence, many of us have tended to take it for granted that the money-Muslims have received from oil-rich countries for renovation of mosques or establishment of *madrasahs* (schools of traditional learning) has also been meant for proselytisation and conversion.

The community sense among Muslims is stronger than among Hindus but it is in all probability no stronger than among Sikhs. The members of a minority tend to hold together. Muslims appear to be more traditional than Hindus perhaps because they are compared not with the appropriate sections of the Hindu society but with the more modern and better-off Hindus. Their resistance to change is more trenchant (witness their determined opposition to a modern uniform personal law). But that may well be an expression of their feeling of insecurity. While this feeling is as old as Islam in this country, it has been aggravated by the growing politicisation of society

and the erosion of traditional power balance and identities as a result of the modernisation process. Even so it is a remarkable fact that Indian Muslims have not fallen a prey to the fundamentalist wave that has swept almost all Muslim peoples. The Indian environment has perhaps protected them against this wave. But the very fact that this barrier has proved effective is proof enough that Muslims are integrated into the Indian environment.

## Ruling Elite To Blame

The country's ruling elite as embodied in the Congress (now called the Congress-I) has been less than fair to Muslims as much because it has tended to take their electoral support for granted as because it has often found it more expedient to promote communalist Muslim leaders to genuinely secular ones. The two are distinguished from each other not only by the nature of their loyalties but by the way they seek to serve their community. While the communalist, for example, exploits the Muslim sentiment in his own interest, the latter tries to encourage them to take to modern education, professions and commerce and industry. Despite all this, however, Muslims are moving forward as other Indians. In fields such as modern science, technology and business they are among the most advanced Muslim communities in the world.

Indian Muslims do not regard themselves orphans in search of protectors. This is as evident from the way they fight for their security and rights as from the fact that they have begun to move away from under the Congress (I) umbrella. The rest of us have no business to give them foreign patrons and protectors and in the process blur the distinction between Islam and Arab ways of life which incidentally differ from region to region.

FOREIGN MINISTER SPEAKS IN UN DEBATE ON NAMIBIA

Calcutta THE STATESMAN in English 25 May 83 p 1

[Text] U.N.H.Q., May 24.--India, as chairman of the non-aligned movement, yesterday asked the Security Council to set a "definite time-frame" to put into action the United Nations plan to free Namibia from South Africa, reports UNI.

Opening the council debate on South-West Africa, the External Affairs Minister, Mr P. V. Narasimha Rao warned that delaying Namibian independence would be disastrous and sully the "most powerful" U.N. organ.

"The situation in southern Africa and in Namibia is explosive and is becoming a serious threat to regional and world peace," Mr Rao told the Council, which is taking up the Namibia issue after a gap of over two years.

A message Mr Rao brought from Mrs Indira Gandhi reminded members of the promise of independence that the world organization had given to the people of Namibia 17 years ago.

He said it "must now discharge that responsibility resolutely and expeditiously. It must not permit itself to be paralysed into inaction and sully its image as the most powerful organ of the U.N."

"If Namibian independence does not become a reality soon, the consequences could be disastrous," warned Mr Rao. He told members he was speaking on the strength of a mandate from the heads of State and governments of non-aligned countries who had met in New Delhi in March.

The Council is meeting at the request of the non-aligned movement, of which India is chairman, and the African group.

Efforts to impose sanctions against Pretoria usually draw a veto from the USA and other Western permanent members which have been accused of acting only on financial considerations.

Another cause for anger at the West has been the failure of a five-nation Western contact group which had undertaken five years ago to negotiate Namibian independence with South Africa.

Mr Rao attacked the "repressive and racist (Pretoria) regime" for keeping Namibia under "illegitimate occupation" and making "systematic attempts to undermine, discredit and destroy" the South-West Africa People's Organization (SWAPO).

He said Pretoria was using Namibian territory to launch raids against independent African States in the region, creating "serious threat to regional peace and security".

Citing the latest South African air raid against Mozambique as yet another example of its aggression Mr Rao asked: "Can the international community afford to allow South Africa to continue to flout all norms of civilized behaviour in this fashion? For how much longer must the Namibian people endure suffering?"

He recalled that the Council had last discussed Namibia two years ago when U.N. Secretary-General's talks to implement the U.N. plan had broken down and doubt was being cast on the relevance of the Council resolution on South-West Africa.

PTI adds: Mr Rao rejected the attempted linkage between Namibian independence and withdrawal of Cuban troops from Angola.

The role of the western contact group, especially that of the USA, came under a blistering attack from the SWAPO leader Mr Sam Nujoma, who denounced the linkage as "unjust, arrogant, irrational and objectionable".

The president of the council of Namibia, Mr Paul Lusaka of Zambia, commented that from the statement of Sir John Thomson it appeared that the United Kingdom had "just delinked itself from linkage".

He said some members of the contact group seemed to have decided to use the talks on the independence of Namibia as a vehicle for the attainment of their global interests linking the independence of Namibia to some outdated cold war rhetoric. Thus the people of Namibia had been held "hostage" to the global self-interests of some States.

The Security Council debate is expected to continue for a few more days.

CSO: 4600/1225

ANALYST: LITTLE HEADWAY IN NONALIGNED ISSUES

Madras THE HINDU in English 23 May 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, May 22.

The Prime Minister, Mrs. Indira Gandhi, has received a warmly worded reply from the U.S. President, Mr. Ronald Reagan, to her earlier letter, urging a positive response by the big powers to the non-aligned summit pleas for a concerted effort to end the current crisis in the world economy by initiating early action in areas of critical importance to the developing nations.

But the communication is more in the nature of a friendly acknowledgement of Mrs. Gandhi's letter than a considered response to the substantial issues raised by her on behalf of the non-aligned movement.

The U.S. President is reported to have said as politely as possible that the many suggestions contained in the non-aligned summit declarations had to be considered carefully in all their aspects taking an overall view of their wider implications, while voicing some disappointment that the U.S. had been singled out for severe criticism over many of these issues.

### Response not negative

The U.S. reluctance to commit itself at this stage to engage in a North-South dialogue or participate in the proposed international conference on money and finance for development has not come as a surprise to India, since it did not expect the President, Mr. Reagan, to do anything more than send a friendly reply to Mrs. Gandhi's message before consulting the leaders of the other major industrialised nations of the west at the Williamsburg conference. But the very fact that his response has not been negative is considered as good as half-positive in the present context in the sense that he has not peremptorily precluded U.S. participation in these North-South consultations.

The U.S. has not yet indicated its reaction to the other proposal of the non-aligned summit that the next meeting of the U.N. General

Assembly commencing in September should be attended by heads of Government. As chairperson of NAM, Mrs. Gandhi has suggested that the world leaders should assemble in New York in the last week of September for at least a week to exchange views on issues like peace, disarmament and development.

### Shultz's visit

The U.S. President has left his response to this suggestion wide open for the present so that he could take his own time in making up his mind on what should be done in the light of subsequent developments. It will be discussed in greater detail with the Secretary of State, Mr. George Shultz, when he visits Delhi at the end of next month against the background of the Williamsburg decisions on global economic issues.

The recent Ministerial meeting of the nine non-aligned countries in Delhi had requested the chairperson, Mrs. Gandhi, to write to the U.S. and East German presidents, in their capacity as hosts to the Western and Soviet bloc summits in Williamsburg and East Berlin respectively, and the heads of other participating nations in these two conclaves, pleading for a truly global approach to the world economic problems. The basic purpose of interlinking the two appeals was to rope in the Soviet Union into this North-South dialogue to give a universal character to these negotiations.

But this parallel bid to bring Moscow also into the picture has run into difficulties following the reported decision of the Soviet bloc to postpone indefinitely the summit of the Council for Mutual Economic Assistance (Comecon) which was due to be held at the end of this month in East Berlin, more or less coinciding with the Williamsburg meeting of the seven major industrialised nations of the West.

It was intended to be the first such meeting since 1971 of the heads of the seven socialist

countries of Eastern Europe — Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Rumania and the Soviet Union, with Cuba, Mongolia and Vietnam as associate members of the Comecon. Though no official reason has been given for the indefinite postponement, the diplomatic reports from Moscow indicate that there had been some sharp differences, especially between Rumania and the Soviet Union, over the question of countervailing Soviet obligation to supply critical items like oil on concessional terms without insisting on payment at the prevailing international rates.

### **Mrs. Gandhi's efforts**

So the Indian attempt to deal with the two economic blocs through multilateral diplomacy

on behalf of the non-aligned community, instead of approaching the U.S. and the Soviet Union separately, is not making much headway because of this unexpected development. But Mrs. Gandhi is pressing forward with her efforts to persuade Mr. Reagan and Mr. Andropov, the Soviet leader, at a personal level to provide the necessary lead to the two systems in joining the rest of the world community in evolving a more equitable economic dispensation.

And it is in this context that she is trying her best to persuade them to attend the next U.N. General Assembly session, as a prelude to a more determined global effort to restructure the world economic order for the good of both the developed and developing nations.

CSO: 4600/1218

## U.S. SUGGESTION OF NAVAL VISITS REPORTED

Madras THE HINDU in English 23 May 83 p 5

[Article by R. Chakrapani]

[Text]

WASHINGTON, May 22

In what appeared to be a feeler from the Reagan Administration, Senator Orrin G. Hatch, conservative Republican from Utah, who has close links with the White House, recently proposed in the Senate that goodwill visits by the U.S. Navy to India, as in the 1970s, be resumed.

Mr. Hatch suggested that in scheduling the naval visits, Indian sensitivities should be taken into account. He also recommended that India's policy of diversifying its defence purchases should be availed of by the U.S. by allowing it access to the arms market here.

"I hope as a symbol of improving U.S.-Indian relations in 1983 that a U.S. naval visit can be scheduled to as famous a port as Bombay by the flagship of our West Asia force in the Arabian Gulf", he said.

"I know there is Indian sensitivity about visits by American naval ships to Indian ports because of the possibility that our ships could also call at the Diego Garcia naval base to which the Government of India has certain objections. But I can assure my colleagues today that our West Asia force flagship the U.S.S. Coronado, never calls at Diego Garcia.

**No reason to object:** "Of course, India's concern for a nuclear-free zone in the Indian Ocean would not be directly contradicted by the standard American official comment that we neither confirm or deny the presence of nuclear weapons aboard naval ships at sea such as the U.S.S. Coronado or other ships of the West Asia force. Thus, while I could understand an Indian Government refusal to accept a visit by ships of the carrier battle group deployed in the Indian Ocean or ships operating from Diego Garcia, I see no reason why the U.S.S. Coronado could not resume the ship visit pattern of the early 1970s. Surely the Government of India will extend the same

courtesies to such U.S. naval ships as are extended to the Soviet Navy."

**Close to White House:** The statement made on the Senate floor during a free-for-all hour on Thursday last, assumes more than ordinary significance for several reasons. First, he is one of a group of some 25 conservative Republican Senators close to the seat of power at the White House.

Second, Mr. Hatch is deputy chairman of a foreign policy group that keeps daily contact with Mr. Reagan's confidant and National Security Adviser, Mr. William P. Clark. Thirdly, Mr. Hatch does not usually talk about Indian subcontinental affairs, and the fact that he chose to speak exclusively in support of closer relations with India just weeks ahead of a planned visit by the Secretary of State, Mr. George P. Shultz, reinforces assumptions that the administration might be speaking through him.

**And now "India card":** He said everyone had heard of the "China card" and the "Japan card" in the past and he would ask U.S. strategic planners to consider in the same light the prospects for the development of the "India card" in the world-wide competition the U.S. faced with the Soviet Union.

Mr. Hatch welcomed the process of reconciliation between India and Pakistan and China and India, and, as a close supporter of Mr. Reagan, gave him full marks for encouraging such a process.

Mr. Hatch said that although the Senate staff had reported that "there is no evidence" India had wilfully compromised classified information or advanced technology provided to it by a foreign government, he was not in favour of transfer of the most advanced U.S. military technology to India.

## MP ANALYZES FACTORS INFLUENCING DEFENSE, FOREIGN POLICY

Calcutta THE STATESMAN in English 24, 25 May 83

[Article by Madhavrao Scindia]

[24 May 83 p 8]

[Text]

**A**LMOST 36 years have passed since India gained independence. In those years, we have seen much progress in many fields; at the same time, the problems confronting us are as formidable as ever before. Three momentous decades have seen the unfolding of both our strengths and our weaknesses—many achievements, yet many failures—as a people and a nation. But the period of our euphoria is long past and slowly but surely we are moving forward on the path of progress.

India ranks high in the comity of nations. We stand amongst the first ten industrialized countries of the world. We are considered the world's fourth largest military establishment. Our Prime Minister is chairman of the non-aligned, a movement which embraces 101 countries in its fold. The comparative political stability and the democratic maturity our people have displayed, is almost unique in the developing world. We have enjoyed a political leadership which has been distinct and outstanding.

Yet ironically, though our international standing is high, we have as yet been unable to pierce the mist of suspicion shrouding relations with our neighbours. In spite of our best efforts, in spite of our historical ties and in spite of cultural and linguistic affinities, in spite of a common struggle against poverty, basically, we still remain somewhat aloof, almost strangers to each other—suspicious and fearful—all that neighbours should not be.

## COMPLEX

It is in this context that we must examine India's defence requirements and strategy. With superpower involvement and interference on the increase due to a variety of reasons, the situation has become even more complex. Besides, historical experience shows that in international relations, good neighbourliness is more of an exception than the rule. In spite of diplomacy conducted by those who have been acclaimed as statesmen by history, it took many wars to finally lead to the evolution of the European community.

South Asia is not an island unto itself. Our region is in the midst of an era of historical transition, facing multiple threats and pressures. It is undoubtedly India's traditional aim to forge links of peace with neighbours. But the history of the sub-continent since independence shows that entanglement with great powers has been a constant feature of Pakistan's foreign policy. In the fifties it received massive military aid from the USA and joined the Baghdad Pact, later CENTO and SEATO. The purpose was not to provide a bulwark against Communism but to reinforce ambitions in Kashmir. After 1962 it was the Chinese who commenced giving massive military aid to Pakistan, the common denominator at that time being antagonism towards India.

In his book, *The First Round: India-Pak War 1965*, Air Marshal Asghar Khan recalls the battles of Devul, Somnath and Panipat

to make the point that invaders from the north launched many expeditions and if they failed once, they always came back with greater vigour and strength. The Air Marshal was never considered an extremist in the Pakistan military establishment: the underlying psychology even of a moderate cannot be ignored. Of course, in citing these examples, Asghar Khan equates his country with the invaders in history, unwittingly giving expression to contemporary reality.

These historical precedents cannot be ignored. It is harder to forget the sting of the bee than to remember the sweetness of honey. A non-aggression pact between the two countries is still a far cry, and suspicion is cast on the genuineness of the Pakistani no-war proposal. There is a clear dichotomy between the precept, and the practice of acquisition of arms. Besides, General Zia's periodic pronouncements, like the recent one on the alleged fear that grips Indian Muslims, seem aimed at creating confusion in the Indian mind as to his real intentions. Our differing security perceptions of the region and our difference of approach on some basic bilateral issues like Kashmir are hardly conducive to confidence-building.

A new explosive dimension to the situation is that now Pakistan is considered by the USA as a major front line State in the strategic consensus or arc of containment around the Soviet Union. India has not, cannot, and will not act as any one's stooge.



Therefore, it is difficult for us to fit into Washington's scheme of things. We cannot accept the U.S. contention that the arms influx into Pakistan is merely in pursuance of a policy to contain the Soviets after Afghanistan. Most of the weapons supplied are of no use in the mountainous regions of the Pakistani north-west frontier. Besides, five major corps, along with many infantry and armoured divisions equipped with most of these inventories, face eastwards towards India.

## NEW WEAPONS

It has recently been reported that Pakistan has begun arming its troops in occupied Kashmir with newly acquired weapons from the USA and China, including tanks and fighter planes. New helicopters too are operating with greater frequency between border posts. The Soviet military journal, Foreign Military Affairs, mentions that Islamabad has embarked on a massive modernization of its air defence system. Pakistan's defence expenditure has increased by 400% in the last decade. Its military nuclear ambitions too seem alarming and, if confirmed, should lead to India re-examining our nuclear option. The recent statement of the French Foreign Minister confirming the offer to Pakistan of a nuclear plant with no safeguards is disquieting to say the least.

Obviously, in spite of continuing negotiations for friendship, India cannot afford to drop its guard. It is gratifying to note, therefore, that the Defence Ministry has taken steps to enhance the army's combat capabilities. Existing tanks are being modernized on a selective basis and the tank fleet is being updated as is being done with artillery fire-power. A very significant achievement has been the development of armour that is able to resist anti-tank missiles and shells. However, one cannot but mention, along with all these significant achievements, the failure of the Main Battle Tank project recently referred to by the Defence Ministry as the Medium Battle Tank. This pro-

ject is more than a decade old and was originally named the MTB-80 project. As the years rolled by and 1980 passed into history, an embarrassed DRDO has rather appropriately renamed it the FMBT or Future Main Battle Tank project!

Similar has been the fate of the Illuminating Bomb, meant to aid troops at night. The Research and Development people launched the project in 1977. The estimated date of completion of the prototype is now 1985 which means that the ordnance factory will only be in a position to produce it in 1990, by which time progress in night warfare technology will have rendered it obsolete.

The Armed Light Helicopter project was initiated as early as 1970 and is still at the drawing board stage. In fact the Ministry continues to fight shy of accepting the integrated use of helicopters in warfare. The army must be allowed its own helicopters in warfare and its own helicopter wing, which is long overdue. Unlike other public sector undertakings, inefficiency in defence production, both at the planning and implementation stage, may not in future be counted in terms of mere money, but in terms of the lives and blood of the men in our armed forces.

On the credit side, defence scientists need to be congratulated on perfecting the radar tracking and guidance systems for a wide range of missiles and for having developed a high level of expertise in new missile systems. Special mention will have to be made of the work being carried out on third generation laser guided missiles with indigenous electronic systems.

## HISTORY

In the east, we need to put in a constant maintenance effort in our relations with Bangladesh whose strategic value to us is immense. It is unlikely that the Chinese will again try to invade as they did in 1962. History shows that our invasions always came from the north-west and not the north-east. Besides, the logistics are such that it would

be almost impossible for a huge invading army to occupy the eastern part of India for any appreciable length of time. In any case, the Chinese seem to have embarked on a phase of economic regeneration and there can be no appreciable economic development in a country at war.

However, defence planning has to be such that hypothetical situations must be regarded as possibilities which may have to be checkmated. If there was an incursion from the north-east one swift move to the Bangladesh border from Tibet in the north could cut off the slender 30-mile passage into the eastern part of India. Here lies the obvious important geo-strategic position of Bangladesh. In such a situation it would be vital to have a friendly neighbour in Bangladesh, a country which holds strategic importance for us from the sea as well.

The Indian Ocean is where the most intriguing and dangerous developments are taking place. The ocean has become a cockpit of superpower rivalry and represents a situation pregnant with grave implications for India and other littoral countries. Continual protests to the major powers have fallen on deaf ears. Though the Soviet Union has agreed to cooperate in implementing the zone of peace concept, the Americans and some other western countries refuse to fall in line. The entry of Soviet troops in Afghanistan and the fall of the Shah in Iran have only intensified western activity in the ocean region.

It is interesting to remember that a 1922 Iran-Soviet agreement is still in existence whereby, in the event of any threat to Soviet strategic interests, the Soviet Union is entitled to take whatever steps it deems necessary to protect such interests with Iranian assistance. If the Soviets desired to enter warm waters they would not go through Karachi, because of western commitments to Pakistan, but through the Iranian port of Chabahar. Soviet influence is already widespread in the Baluchi area of Iran (called Seistan) and amongst a wide section of leftist progressive mullahs.

[25 May 83 p 8]

[Text]

**T**HE Americans are now feverishly engaged in military preparations in the Indian Ocean area. Political developments in Mauritius, instability in

the Seychelles, Arab investment in the Maldives, are all developments which need to be analysed closely for hidden implications. There is a concerted move by

the Washington-Pretoria axis to set up a string of footholds—with Pakistan, Egypt, Kenya and Turkey providing the core centres—for assistance when required, and forming the basis

for strategic use of the Rapid Deployment Force.

The recently published official U.S. map titled "RDF Policy and Budgetary Implications", covers not only a large area from Kenya to Egypt and the Gulf, but also includes all of Jammu and Kashmir. This map is not a mere piece of cartographic aggression but is a clear giveaway of Washington's intentions. It presents the strategic blueprint of the RDF's areas of action if the need arises. So, must we, therefore, assume that if the RDF is ever employed due to a crisis anywhere in what the USA sees as part of its strategic consensus, the force will also enter Jammu and Kashmir which is an integral part of India?

It is already rumoured that sophisticated electronic devices are being installed in Pakistan by the USA to monitor and listen in to Soviet military activities. Such devices will surely be used against India too. A U.S. plan is also afoot to use Pakistani manpower to complement U.S. military power in the Gulf area; a Pakistani division has already been equipped with sophisticated weaponry and organized as a RDF, with a positioning capability of 24 hours.

## OCEAN THREAT

A certain "leaked" Pentagon document calls for providing forces which can be used both in "the direct defence of NATO and in the defence of allied interests in S.W. Asia". It adds that improvements in "the reconnaissance, surveillance and airborne war, and control of fighter defences for the southern part of NATO would in themselves have a direct application to the defence of the upper Gulf". In effect, this means extending NATO to the Indian Ocean, or opening a new theatre in addition to the European arena covered by NATO proper.

With the rapid escalation of the military threat in the ocean area and its growing economic importance, it is imperative that we gradually transform our grey water navy into a blue water one. With ocean politics at a very sensitive stage and having set up a scientific and research camp in Antarctica, India needs to think in terms of nuclear powered naval vessels, which could remain at sea for much longer durations.

This must be accompanied by a constant diplomatic effort to build and maintain friendly relations with littoral and ocean States like Aden, the Yemens,

Mauritius, the Maldives and Seychelles, and from Bangladesh to Singapore in the east. Mauritius, in fact, would be a more convenient supply route for us to Antarctica, than Argentina.

There must be a constant Indian diplomatic thrust in creating an atmosphere, at least amongst the littoral countries, of non-cooperation with superpower military activity in the area. It is a fact that it would have been impossible to launch the RDF without the cooperation of some members of the non-aligned club. The irony is that this is taking place even though some of the Gulf countries see in the RDF an instrument not for containing the Soviets, but for seizing their own oil fields. There must also be a positive move for friendship and cooperation amongst the seven South Asian countries. In this context, the recently concluded Foreign Secretaries meeting in Dhaka, and the proposed Foreign Ministers conference in New Delhi in the first week of August, are constructive steps in the right direction.

The scenario obtaining in the Indian Ocean calls for a greater role for the Indian navy and a greater emphasis on its modernization and updating than has hitherto been given. Though on paper the Indian navy is large, it suffers from many glaring inadequacies and disadvantages.

First, it faces the spectre of bloc obsolescence of nearly half of its surface vessels with the other half becoming 20 years old by the end of the eighties.

Secondly, such a long coastline with chains of islands necessitates at least three separate naval groups—one for the Bay of Bengal, the other for the Arabian Sea and the third to be able to sail further afield. But with its present fleet, the effective concentration of Indian naval vessels at any given point is drastically reduced.

Thirdly, the Indian navy lacks the air support that could protect its surface vehicles in a hostile environment. It also lacks adequate airborne and anti-submarine warfare capability, leaving the surface vehicles easy picking for belligerent submarines. Though eight Harriers have recently been purchased from the U.K., it is unfortunate that because they are jointly produced with the USA, our requirement for at least 12 more are possibly being blocked by Washington. The acquisition of the Exocet missile, already obtained by Pakistan, would help

improve our strike strength. At the cost of a single Jaguar aircraft we can buy 50 or 60 of these missiles. That would be more than adequate. The Indian navy can only carry punch if it combines modern capability and fire power with effective surprise and mobility.

## POWER POLITICS

The combinations of great power rivalry in the context of cold war nuclear strategy, the lure of oil and the other economic resources of the region and its growing instability, and the linkages of regional powers with the superpowers, has converted the Indian Ocean into an area of increasing power rivalry. If the deteriorating situation is not checked, the ocean will once again be subjected to the same pulls and pressures that led to its subjugation two centuries ago. Even then it was trans-regional rivalry, combined with the economic and trade potentials of the area and the regional rivalries, which gave rise to regional weaknesses that led to colonialization. History might repeat itself if the people of the Indian Ocean region ignore the lessons taught by it.

As far as our air force is concerned, its modernization and updating has been adequately seen to with the Jaguars, the Mirage 2000 and the identification of the new transport aircraft. However, under the agreement, the U.K. agreed to supply us a full Electronic Counter Measure system, but according to them not necessarily the latest. As a result, we are being supplied with the older version which cannot jam the enemy radar system leaving the Jaguars exposed to enemy fire power. We must keep up our pressure on the U.K. to supply the latest version of the ECM.

Before concluding this article I want to briefly make a few general observations about our defence effort.

First, the pay scales and allowances of the services must be further improved so as to attract the best talent and reduce temptation to corruption. It is rumoured that the post of Lieutenant-General, which is equated with that of an Additional Secretary at the Centre, is now being downgraded to the equivalent of Joint Secretary. Similar downgrading is taking place in the rank of Brigadier. This will have a demoralizing effect on the armed forces and must be avoided. In fact, a special committee consisting of

retired and serving senior army officers should be constituted to take a direct interest in these problems and to put forward suggestions in these and other allied matters. They could also tackle the provision for children's education, adequate house rent in major cities, etc.

Secondly, the Government must refrain from deploying the army to control civil riots or unrest. If the CRP and BSF are not adequate let there be another special police force for such situations. Deploying the army affects military prestige amongst the civilian population and resentment may grow. It also introduces the risk of corruption and the birth of political ideas and aspirations amongst army personnel exercising quasi-civil administrative functions in such situations.

Thirdly, the NCC should be scrapped in its present form. It is a waste of time and money and, in the majority of cases, does not succeed in achieving its lofty ideals—of inculcating nationalism, discipline, etc. Instead, young people should be made to undergo compulsory socially productive and useful work at the village level or in cities to create a community feeling and better understanding of their country.

## OLD SOLDIERS

And finally, though urban ex-servicemen are well looked after, the interests of ex-servicemen who return to their villages must be safeguarded more diligently. District administrations should be instructed to give them priority in sorting out their problems. The well known case of Pan Singh, a Bangkok Asian Games participant, comes to mind. He returned to his village only to find his land usurped whilst he was away helping to defend his country. He knocked at many doors, all to no avail, and was finally driven into taking the law into his own hands, ending up as a dacoit of great ferocity. A man who risked his life to face the enemy's bullets was finally slain by a hail of police bullets in the forests and ravines of his own Chambal. What a sad commentary this makes. The problems of rural ex-servicemen and rehabilitation in their villages must be given the respect they deserve by district authorities.

As H. L. Mencken said: "War would never cease until humans were born with bigger cerebrums and small adrenal glands". In a world where intelligence, information and technology are increasingly valued over other powers, war should already be on its way out. In fact in this

nuclear age if a third world war should break out, the fourth would be fought with sticks and stones. The tragic truth is that there may be no one around to fight a fourth world war at all.

India has a moral standing in the world, and it is our duty to strive to bring sanity to our planet. It is rightly said that defence and diplomacy are two sides of the same coin. They are both instruments of national policy. By itself, diplomacy cannot ensure security and tranquillity. To be effective, it requires the sanction of power—power in terms of the economy; power in terms of a unified and cohesive nation; and last but certainly not least, power in terms of defence. It is not a contradiction in terms to say that we cannot hope to achieve our peaceful foreign policy objectives without adequate military muscle. This is what India's defence effort is all about.

I am sure that given the proper administrative and equipment support, our heroic armed forces will succeed in providing us this strength so as to enable our country to help build a world environment where instead of the smell of gunpowder and cordite, the milk of humanity flows to act as a ready sweetener; an environment where what dominates is not the stench of death, but the fragrance of life.

## GANDHI CRITICIZES MANEKA DURING LUCKNOW VISIT

Remarks on 18 May

Madras THE HINDU in English 19 May 83 p 9

[Text]

LUCKNOW, May 18.

The Prime Minister, Mrs. Indira Gandhi, today expressed confidence that the country would overcome the present problems soon. "India has faced so many crises in its history, but has managed to survive," she said.

"This nation has some basic characteristics which enabled it to face many vicissitudes while other nations have perished. The main requirement today, she said, is determination and unity. There were people who ran away from challenges and crises, but there are others who faced them with confidence. This quality is called for in the country today," she said.

Addressing the Congress (I) workers here, Mrs. Gandhi said her Government was endeavouring to solve the Assam and Punjab problems through dialogues. She expressed confidence that the present exercises would yield meaningful results. Hands of foreign interests behind some of the internal problems could not be ruled out, she said.

**Party squabbles:** Mrs. Gandhi did not conceal her unhappiness over the squabbles within the party. Obviously with the current block-pramukh elections in U.P. in mind she asked her party leaders to maintain unity at any cost to ensure victory of the party nominees. She asked them to sort out the differences within the party forum instead of ventilating them in the press.

The Prime Minister scotched rumours about any change of leadership in U.P. "These speculations are circulated by the press and the Opposition parties", she said and appealed to the workers to ignore them.

**PTI and UNI report:**

The Prime Minister told newsmen that negotiations for a solution of the Punjab problem would continue and indicated that fresh proposals to the Akali Dal leaders might bear fruit.

Talks with the Akali leaders would continue till a solution was found, she said.

Replying to questions from newsmen, Mrs. Gandhi said: "We have been having talks continuously and the Government wants to settle the problem through negotiations."

Mrs. Gandhi said she did not understand what the Akali leadership meant by "concrete proposals."

"We have been talking with them all the time about the various issues and unless their reaction is known, what could be said" she asked.

Mrs. Gandhi said her Government would send fresh proposals to the Akalis after their reaction to the fresh approach on their demands was known. It was no use sending such proposals as it might lead to a breaking point in the search for a solution.

Mrs. Gandhi's attention was drawn to the statement of the Akali Dal President, Sant Harchand Singh Longowal, that he had not received any fresh proposals. "Unless we know their reaction, how can we send any proposals" she asked.

Asked if the proposed meeting of the opposition leaders on the Punjab issue would serve any purpose, Mrs. Gandhi said they had been saying "different things at different times."

"When they come to us they make certain suggestions, but when they go to the Akalis, they say that they are supporting their demands."

To the suggestion of the Janwadi party leader, Mr. Chandrajit Yadav, that the Akali Dal demands which have not so far been accepted by the Government, should be referred to a Supreme Court Judge, Mrs. Gandhi retorted: "How would it look if the entire Government was handed over to the Court?"

Asked about the comments by Mr. Charan Singh, the Lok Dal chief, that some Pakistanis had raised the slogans of 'Allah-o-Akbar' in the Golden Temple, Mrs. Gandhi said "I do not know if slogans were raised, but Pakistanis did continue to come".

Mrs. Gandhi also had a 30-minute closed-door meeting with the State Council of Ministers before returning to Delhi.

**Attack on Maneka:** The Prime Minister who made a bitter attack on the activities of her daughter-in-law, said the marriage of Maneka with Sanjay was the result of a "conspiracy" of certain forces who wanted to infiltrate into her house.

She had to reprimand her daughter-in-law five or six days after her marriage as she

wanted to live in the Prime Minister's house in her own style. This was not possible and "I had no option but to reprimand her on this issue," she said.

Mrs. Gandhi said Mrs. Maneka started wearing the clothes of a "suhagin" (a woman whose husband is alive), within ten days of Sanjay's death. Later she started working against Sanjay's five-point programme and against the Congress (I) policies. "I objected to her wearing clothes of a suhagin," the Prime Minister said.

### Maneka Rebuts Charges

Bombay THE TIMES OF INDIA in English 20 May 83 pp 1, 9

[Text] New Delhi, May 19: Mrs. Maneka Gandhi today described as "irresponsible" the statement made by the Prime Minister, Mrs. Indira Gandhi, "that I was thrown out because I refused to wear the clothes of widowhood."

In a rejoinder issued today, Mrs. Maneka Gandhi said the statement against her "has not only left me but the entire country aghast." "I can only conclude from her statements that with advancing age and an erratic memory, she is suffering from great mental strain. This is obvious from the fact that at a serious party meeting in Lucknow, she talks less about Punjab and Assam and more about the need to oppose Maneka by any means possible."

"It is not in the interest of the country to have an unwell Prime Minister as this will only deepen the crisis of confidence in her. Therefore, I offer her my best wishes for a speedy and complete recovery," Mrs. Maneka Gandhi said.

The president of the Sanjay Gandhi Vichar Manch also points out that the Prime Minister is herself a widow and "she should know that one of the things that Mahatma Gandhi worked for was that widows should be treated well and allowed to live normally. It does not behove her to make statements that will set the movement for the emancipation of widows back by a century."

Recalling that in the last one year she had never contradicted any statement made by Mrs. Indira Gandhi "even when it was patently untrue", Mrs. Maneka Gandhi said the reasons given by the Prime Minister for her being thrown out from No. 1, Safdarjung Road, ranged from commenting on "my inferior background to my being in the pay of the RSS, dissident Congress (I) men, Mr. Bahuguna, Mr. Fernandes, Mr. Pawar and Mr. Raj Narain."

"Later, scurrilous pamphlets by a virtual member of her household were distributed in lakhs. Then in a statement showing scant respect for the truth and Sanjay's intelligence, she said that I was a foreign plant in the house and my marriage was engineered by foreign anti-national agencies," she said.

Added to this was Mrs. Indira Gandhi's plea that "everyone who supposedly knew Sanjay should go to the press about his relationship with me," Mrs. Maneka Gandhi said.

## Editorial Calls Remarks Unjustified

Bombay THE TIMES OF INDIA in English 21 May 83 p 8

[Text]

It is tempting to take the view that the country should have been spared the unseemly slanging match between Mrs. Indira Gandhi and her widowed daughter-in-law, Mrs. Maneka Gandhi. The argument in support of this proposition would run as follows: Maneka exasperates the Prime Minister on account of her ways and the sharp differences in their outlooks and family backgrounds. But that is no reason why Mrs. Gandhi should have allowed herself to refer publicly to the way Maneka behaved and dressed in the wake of Mr. Sanjay Gandhi's death. The daughter-in-law has sought to project herself as a political opponent of Mrs. Gandhi. But she does not amount to much in that role. And even if she did, the latter would not have been justified in drawing attention to Maneka's personality traits which she finds distasteful. But Mrs. Gandhi's recent charge that the daughter-in-law was a plant in her house has given an altogether new dimension to the issue and it is in this context that we have to discuss it. The charge also raises several questions. When did the Prime Minister discover that Maneka was a plant? Before Mr. Sanjay Gandhi's death or after it? What did she do to cope with this problem? Would she have packed off Maneka if the latter had not defied her openly last year and addressed the Lucknow convention organised by the Sanjay Vichar Manch? Has the "plant" compromised the national interest by leaking confidential information which became available to her by virtue of her presence in the Prime Minister's house? Why has the Prime Minister raised this issue at this stage? No one outside the circle of Mrs. Gandhi's closest advisers can claim to know answers to these questions. But that only makes it all the more necessary to raise them.

Mrs. Gandhi is in some ways frightfully frank. In 1975, for instance, she warned her opponents several times that she would take drastic action if they continued their efforts to push her into a corner and to force her to step down. During the hearing of Mr. Raj Narain's election petition against her before Mr. Justice Sinha, of the Allahabad high court, and then of her appeal before Mr. Justice Krishna Iyer, of the Supreme Court, her lawyers left no room for doubt that serious consequences would follow an adverse judgment against her. Of course, her lawyers did not say in so many words that she would go so far as to proclaim an internal emergency, suspend vital parts of the Constitution, arrest thousands of her opponents and impose censorship on the press. But soon it became quite clear that her detractors had been ill-advised to ignore her warnings. We do not know whether once again Mrs. Gandhi is similarly proclaiming her intention to take some drastic action. But going by her record, not only in 1975 but also earlier in 1969 and later in 1978 when she split the Congress, it would, in our opinion, be wrong to ignore altogether such a possibility.

Being completely in the dark about the evidence in Mrs. Gandhi's possession, or the lack of it, we are in no position to judge whether or not she is justified in saying what she has said, and in taking or not taking action against Maneka.

We are also in no position to say whether her move is defensive or offensive, or a bit of both. All that we can do right now is to say that Mrs. Indira Gandhi does reveal her intentions beforehand, that she may well mean what she has said regarding Maneka being a plant, and that if this is indeed so, it will be wrong to continue to treat the Maneka affair as a mother-in-law-daughter-in-law dispute. It is possible that we are making false comparisons and that we are attaching too much importance to a "casual" remark. But Mrs. Gandhi is not known to make such serious charges casually, and that an apparently faltering formulation by her, as in this case, is not necessarily an expression of indecision. She can be vague and confused on purpose. It is also possible that we are being too logical, and that, too, on the basis of false comparisons. But the only other option open to us is to take the view that Mrs. Gandhi does not mean what she has said. We are reluctant to take this option in view of our experience of the Prime Minister in the past. And, of course, we are not trying to give credence to Mrs. Gandhi's charge or discredit it. We are interested only in examining its possible implications.

#### Gandhi Denial

Bombay THE TIMES OF INDIA in English 24 May 83 p 1

[Text] Kathua (J & K), May 23 (PTI): The Prime Minister, Mrs. Indira Gandhi, today denied having ever said that Mrs. Maneka Gandhi was planted in her house.

In reply to question by newsmen who quoted newspaper reports, Mrs. Gandhi said the word was coined by newspapermen and she had never used it.

Asked if she had made certain charges against Maneka, the Prime Minister said: "I have not made any charge against anybody. I have only said what was true."

What she (Maneka) was doing was before the world. Could anybody talk about her house like this?

A reporter interjected: No, no.

Mrs. Gandhi: This is the reply to your question. She declined to further talk on this subject.

CSO: 4600/1207

## REPORTER SEES RIFT AMONG AKALIS WIDENING

Bombay THE TIMES OF INDIA in English 18 May 83 p 9

[Article by Najm-ul Hasan]

[Text]

AMRITSAR, May 17.

**T**HE All-India Sikh Students' Federation is planning to raise a volunteer force pledged to obey Sant Jarnail Singh Bhindranwale's orders, it is learnt.

According to reports here, Mr. Harminder Singh Sandhu, AISSF president, has started enrolling student volunteers who will remain aloof from Sant Harchand Singh Longowal's 'Shahidi Jathas'.

This move is seen as a clear sign of growing differences between moderates and extremists among Akali leaders. That there is division has never been a secret. But the surfacing of these differences at last week's solemn oath-taking ceremony before the Akal Takht has left even Akali supporters puzzled.

Sant Bhindranwale's open invitation to the volunteers to "take any action against the leaders, including myself, if any person wishes to go back on the Anandpur Sahib resolution" seems to be particularly aimed at any move by moderates to reach a negotiated

settlement with the Centre.

Though Sant Bhindranwale has always been a hardliner, he seems to be coming increasingly under the influence of Naxalites whose presence in his ranks is no longer a secret. Some of the posters that have appeared on Amritsar walls clearly reveal the Naxalite hand.

It is quite likely that Sant Bhindranwale is facing opposition to his extremist line. This could be one of

the reasons for his not-so-veiled criticism, at the oath-taking ceremony, of the way negotiations are being conducted with the government.

Though he did not name any leader, he left no one in doubt that his barb was aimed at Mr. Prakash Singh Badal and other moderates when he said: "When negotiations take place across the table our leaders do not demand special rights for the Sikhs. They also do not plead strongly for separate nationhood. We ourselves are to be blamed for this weakness."

Significantly, this outburst came in the wake of the meeting held by Sant Longowal with district presidents of the Akali Dal, which was meant to be a feedback exercise. The morcha dictator and his colleagues seemed to have been unnerved by the murder of the DIG, Mr. Avtar Singh Atwal, almost on the threshold of the Golden Temple, and the sense of disgust it was bound to cause to devout Sikhs.

Apart from this ghastly incident, another question which is said to have figured prominently at the meeting related to the people's general reaction to the possibility of a negotiated settlement with the Centre.

It is learnt that a majority of the district presidents were in favour of avoiding a confrontation with the government and were against taking an uncompromising stand on negotiations. They were also believed to have conveyed to the Akali leader that Mr. Atwal's murder, particularly the choice of the place where it was carried out, has caused considerable loss of sympathy for the Akali cause.

This meeting, perhaps, made Sant Bhindranwale fear that the moderates would gain the upper hand. This fear might have prompted him to exhort the "Shahidi" volunteers to act even against leaders who, in his view, showed any weakness.

Not content with this, the hard-line leader apparently felt the need for a parallel volunteers force since the "Shahidi" volunteers were pledged to obey only the morcha dictator's directives.

It is in this background that the move to raise a students' volunteer force has to be seen. The AISSF makes no secret of the fact that the new force would function independently of Sant Longowal's "Shahidi Jathas."

A close associate of the AISSF chief told this reporter that the volunteers would be given separate training at Anandpur Sahib where the Shahidi Jatha leaders would also be trained. The AISSF men would act in defence of all those who were harassed by the police, particularly the 40 persons who were on the wanted list handed over to the Akali leaders. "We will take effective measures to protect the parents and other relations of these persons from the police and will not allow the government to confiscate their property either."

He said the student volunteers would not be given any public oath because "we want to keep their identity a secret to prevent any pre-emptive arrests by the police."

CSO: 4600/1197



## ADDITIONAL MINISTERS INDUCTED INTO ASSAM CABINET

Calcutta THE STATESMAN in English 18 May 83 p 1

[Text]

GAUHATI, May 17.—Three ministers were today inducted into the 30-day-old Congress (I) Ministry in Assam, raising its strength to 32, reports PTI. Of them, Mr Govinda Chandra Langthasa has got Cabinet rank, while Mr Kabir Chandra Rai Pradhan has been made a Minister of State and Mr Lekhsi Prasad Hazarika a Deputy Minister.

The Governor, Mr Praksh Mehrotra, administered the oath of office and secrecy to the new Ministers at Janata Bhavan here.

After the swearing-in ceremony, the Chief Minister, Mr Hiteswar Saikia, ruled out further expansion of the Ministry.

He said: "The last phase of expansion has been completed and from now on the performance of the Ministers will be observed".

The Chief Minister said the portfolios of the New Ministers would be allotted soon.

Mr Langthasa belongs to the hill district of North Cachar while Mr Rai Pradhan and Mr Hazarika hail from Goalpara and Nowgong districts respectively.

The All-Assam Students' Union has reiterated that it will firmly oppose detection of foreigners on the basis of religion.

It was because of AASU's strong adherence to secular principles that the Government and some political parties were unable to muster courage to come to a settlement on the foreigners' issue, the union said in the reply to certain suggestions made by a group of its Muslim members.

Mr Saikia today announced his Government's decision to allocate Rs 1,040 lakhs to be shared equally by the Centre and the State for the national rural employment programme during 1983-84 to generate nine million mandays against 4.1 million last year.

The Assam Janata Party leader, Mr Dulal Chandra Baruah, today urged the Centre to refrain from its reported move to hold elections in the remaining 17 Assembly constituencies in the State, adds UNI.

In a statement, Mr Baruah said the "mishandling" of the foreign national issue and "imposition" of election in the State had not only distressed the people but also created fear and terrorism. The Centre should immediately resume talks to find an amicable solution and refrain from holding the elections.

CSO: 4600/1199

INDIA

BAHUGUNA ADDRESSES DSP NATIONAL COUNCIL MEETING

Calcutta THE STATESMAN in English 18 May 83 p 9

[Text] New Delhi, May 17.--The Democratic Socialist Party president, Mr H. N. Bahuguna, said today that the proposed merger of his party with the Congress (S) and the Rashtriya Congress would mark the "beginning of much bigger alliance of secular and democratic forces" reports UNI.

In his Presidential address to the National Council of the DSP here, he said the party would not quarrel over the "flag" or "name". Instead, it would insist on drawing the right conclusions from the disintegration of Janata.

He expressed satisfaction over the fact that the merger decision of the DSP, Congress (S) and the Gujarat leader, Mr Rattibhai Adani's Rashtriya Congress had created a new urge for Opposition unity. He has held discussions with Mr Charan Sing's Lok Dal and Mr Jagjivan Ram's Congress.

Mr Bahuguna said people dedicated to the ideological framework of democracy, secularism and socialism would be welcome to join the merged party.

Mr Bahuguna expressed the hope that regional parties in and out of office would play a significant role in national affairs and contribute to the "creation of a nation whose unity is strengthened and made more durable by the free expression of its diversity".

He said the number of riots and killings since 1980 was "something unheard of in India's history". This began with the riots in Moradabad in August 1980 and continued unabated.

The party's political resolution dismissed the appointment of the Sarkaria Commission as a "mere eyewash and an attempt by the Centre to buy time and postpone the issue of autonomy of the States."

It condemned violence in Punjab and Assam and demanded resumption of negotiations. It also called for the dismissal of the Saikia Ministry in Assam.

CSO: 4600/1199

## CONGRESS-I REPORTED SEEKING OUT FORMER LEADERS

Madras THE HINDU in English 30 May 83 p 9

[Article by G. K. Reddy]

[Text]

NEW DELHI, May 29.

As a counter-blast to the Opposition moves for a common front, the Congress (I) is making fresh overtures to some of the senior leaders of Congress vintage, who had parted company with the Prime Minister, Mrs. Indira Gandhi, during successive party splits, in an attempt to consolidate its position before the next parliamentary elections.

The necessary approaches are being made through trusted intermediaries to persuade them to forget the past and get back to the parent organisation in the larger national interest and play their part in reviving the old Gandhian spirit of total dedication to the welfare of the people.

The names that are being talked of in high Congress (I) circles of those whom Mrs. Gandhi would like to bring back to the party are all well-known personalities who have been ploughing a lonely furrow without sharing the political culture of other parties in the Opposition. A few of them have been quite keen on rejoining her if an honourable way could be found for their return without the stigma of jumping on to her bandwagon.

What is really important in this context is that a line of private communication has been established with some of them to prepare the ground for more decisive moves at an appropriate moment depending on other developments.

**Selective approach:** In taking this initiative to wean away some of her former Congress colleagues from a possible line-up of Opposition parties before the next elections, Mrs. Gandhi is not throwing the doors of the Congress (I) open to all who might want to join it, but making a highly selective approach to pick and choose those she would like to have on her side to strengthen her own position.

A major change in her approach is that she is no longer bothered about how those who stood by her for one reason or the other during the three years of her wilderness are go-

ing to react to the re-induction of some of the former Congressmen. She knows only too well that the so-called loyalists, who have made a narrow cult of their unquestioning allegiance to her, are by and large a drag on her own popularity, as she learnt to her bitter cost during the Andhra and Karnataka elections.

**Stress on acceptability:** According to some of Mrs. Gandhi's confidants, the main accent hereafter will be on personal credibility and public acceptability in the choice of Congress (I) candidates, subject to the limitations of internal party pulls and pressures for accommodating favourites as part of the spoils system.

The intention, therefore, is to arrive at an understanding with a limited number of former colleagues of some prominence who could help to create an impression that the Congress (I) is better placed to face the people again.

After the enthusiastic public response to the padayatra of the Janata Party President, Mr. Chandra Shekhar, the Prime Minister has been urging her party colleagues to embark on similar mass contact programmes to come into close contact with the common people in the countryside and dispel their feeling of alienation. She wants the Congress (I) to re-establish its rural base without leaving this field wide open to other parties to exploit the public discontent for political purposes.

**Cleansing operation:** It is open to question whether the mere return of a few prominent personalities to the Congress fold under Mrs. Gandhi's leadership can in itself restore the missing ethos of the party and provide a new sense of direction, unless she is prepared to put the Congress (I) through a cleansing operation to get rid of the more odious elements that have brought a bad name to it. And if what is being attempted is only a half-way exercise, it is going to end up by doing more harm than good by adding to the prevailing frustrations of the rank and file.

## CPI-M LEADER MEETS PRESS ON RETURN FROM PRC

New Delhi PATRIOT in English 22 May 83 pp 1, 7

[Text]

The CPI-M and the Communist Party of China (CPC) agreed to restore and expand fraternal relations despite differences on a number of issues, party General Secretary E M S Namboodiripad said in the Capital on Saturday.

Talking to newsmen, Mr Namboodiripad, who led a three-member party delegation to China, however, refused to go into details of the differences between the two parties.

Mr Namboodiripad said the two parties also presented different views on many issues, but they agreed that these differences did not hamper the restoration and expansion of their relations.

However, he made it clear that the basis on which the relations were being restored were "the principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs."

In reply to a question whether boundary dispute between the two countries came up for discussion, Mr Namboodiripad said they had wide-ranging discussion and "you can presume that this issue was also discussed."

In reply to further question whether the CPM would help the Government in resolving the border dispute in light of their discussions with the CPC leaders, Mr Namboodiripad said it was for the Government of India to have talks with the Government of China on the question.

However, when the questioner persisted as to whether the party would help the Government, Mr Namboodiripad said the Government, if it felt necessary, could approach. "When the Government approached us, we will make an appropriate response."

Asked if the normalisation of relations with the CPC would affect its relations with the CPSU, Mr Namboodiripad said he did not think so.

It was a prejudice to think that relations with the CPC can be improved only with the deterioration of relations with the CPSU, he added.

Besides Mr Namboodiripad, the delegation comprised Politburo members M Basavapunniah and Harkishan Singh Surjeet. It spent 19 days in China and later visited North Korea.

The CPI-M General Secretary said restoration of relations with the CPC would not lead to any difficulty in improving its ties with Communist Party of India and in forging the unity of Left and Democratic forces in the country.

Mr Namboodiripad said the Chinese delegation, headed by General Secretary Hu Yao Bang, explained to the CPI-M team that relations between the two parties were ruptured due to the "leftist" policies pursued by the CPC during the cultural revolution period.

The CPI-M delegation told its Chinese counterpart that the differences among the various contingents of world communist movement arose because some of them were ruling parties in their countries while the rest were in Opposition and also due to each country having its own national peculiarities.

In view of this open criticism by one party of another should be avoided as far as possible but if there were differences on basic ideological issues then they might have to be aired publicly to educate the party workers and supporters, he said.

CSO: 4600/1215

## CPI RESERVATIONS ON OPPOSITION FRONT TOLD

Madras THE HINDU in English 30 May 83 p 10

[Text]

VIJAYAWADA, May 29.

The Communist Party of India has categorically rejected the idea of a front of all non-Congress (I) parties or electoral combination to dislodge the Congress (I) from power.

The CPI General Secretary, Mr. C. Rajeswara Rao, made his party's stand clear in a note he circulated to other Opposition leaders in the country who met at Vijayawada on Saturday.

Mr. Rajeswara Rao said such a combination in which various constituents having differences on basic political issues join would only be a negative one without any viable positive programme for taking the country out of the present morass. "People would certainly and rightly reject such an opportunist combination which cannot deliver the goods".

The Bharatiya Janata Party's proposal for a so-called national democratic front or an electoral combination excluding the communists and the Muslim League proved his party's view that all-in anti-Congress (I) front was untenable.

He also made it clear that the CPI was opposed to any electoral combination which included the BJP to replace the Congress (I) Government for two reasons.

One was that the BJP was connected with the "rabidly communal paramilitary RSS which directed the fight against the minorities". The

other was the BJP's pronounced imperialist stance" which militated against the security of India. This was evident from the fact that the BJP would not speak of the danger of massive U.S. military presence in the Indian Ocean nor about Pakistani military dictatorship. Any association with such a party would be counterproductive and would bring grist to the propaganda mill of the Congress (I) and its Government, Mr. Rajeswara Rao said.

Mr. Rajeswara Rao said Mrs. Gandhi was pursuing broadly a progressive foreign policy despite some vacillations and so "we need have no differences on the policy as a whole".

'Anti-people policy': But, Mrs. Gandhi's internal policy was "anti-people" and had brought the economy to a critical position, Mr. Rao said. "Corruption has become the order of the day and atrocities on weaker sections, Harijans and women were increasing. She was taking recourse increasingly to repressive measures to suppress people's movements for just demands. She resorted to anti-democratic practices to keep the Congress in power. She has weakened the federal structure through overcentralisation of power".

In such a situation the CPI felt the need of the hour was unity of all secular, democratic and left parties to fight the anti-people and anti-democratic policies of the Congress (I)

CSO: 4600/1220

ONLY INTUC MEN NOMINATED FOR ILO DELEGATION

Madras THE HINDU in English 30 May 83 p 9

[Text]

NEW DELHI, May 29.

A six-member group comprising nominees of the Indian National Trade Union Congress left for Geneva this morning to represent workers at the coming annual session of the International Labour Organisation.

The delegation which consists of representatives of the Government, employers and workers, is led by the Union Labour Minister, Mr. Veerendra Patil.

The workers' group is headed by Mr. N. K. Bhatt, MP and INTUC president. Others in it include Mr. Gopeshwar, president of the Indian National Metal Workers' Federation, and Mr. D. Venkatesh, General Secretary of the Karnataka INTUC.

Efforts to select a composite team comprising representatives of the other major trade union centres broke down on the issue of nomination of an alternate delegate.

The INTUC maintained that there was no provision in the ILO constitution for an alternate delegate. The delegate can choose one from his group when the conference is in session as his substitute whenever it may not be possible for him to attend the deliberations.

But the other trade union centres insisted on the nomination of an alternate delegate before the group left for Geneva. In the absence of an agreement, the Government made the INTUC the sole representative of workers.—Our Special Correspondent.

PTI reports: In a statement today, leaders of non-INTUC central trade union organisations said the all-INTUC workers delegation to the ILO meet did not represent the majority of the Indian working class. They regretted that the Government had adopted a "negative" stand on the question of selection of the members of this delegation, which only enabled the INTUC to take such a "non-cooperative" attitude and "misuse" the ILO constitution to suit its interest.

CSO: 4600/1220

## EDITORIAL NOTES PROBLEMS IN INDO-SOVIET TRADE

Bombay THE TIMES OF INDIA in English 19 May 83 p 9

[Text]

The guarded tones in which the Soviet deputy prime minister, Mr. Arkhipov, expressed the hope that Indo-Soviet trade problems would be resolved soon, and the word being passed by the government itself to Indian exporters dealing with the Soviet Union to look for alternative markets, show that despite the visits of the Soviet trade delegation two weeks ago and of Mr. Arkhipov last week, the problem of India's mounting trade surplus with the Soviet Union is far from resolved. These problems came to light more than a month ago when the Soviet Union suddenly slashed its imports from India and complained that exporters here were sending it sub-standard goods, notably rice. This was followed by the stoppage of shipments from both sides. But the dissatisfaction with rupee trade had been building up in both countries for some time. On the Indian side this is focussed not on trade with the USSR specifically but on bilateral trade with the socialist countries as a whole. There have been frequent complaints that these countries are indulging in "switch" trade. Since the rupee's exchange value is determined, for trade with the East European countries, on the basis of its value against convertible currencies, while the East European countries usually undervalue their currencies for the purposes of export to the hard currency areas, Indian exporters to Europe have often found themselves severely undercut by their own products! The government has also been perturbed by the fact that while the East European countries have insisted on paying in rupees only, even for goods that have a sizable import content that India has paid for in foreign exchange, many of them have insisted that India should pay the foreign exchange component of their production costs in convertible currencies.

On the Soviet side, the complaint is far more specific and relates almost entirely to India's mounting trade surplus with that country. This trade surplus, which manifested itself first in the late sixties after the first devaluation of the Indian rupee, has grown speedily. In the 11 years between 1970 and 1981, it added up to Rs. 1,664 crores. Then last year it jumped by a further Rs. 688 crores. It is this last increase plus the fact that fully half of the total surplus of Rs. 2,352 crores has accumulated in the last three years, that has made the Soviet Union take drastic action to curtail imports from India.

New Delhi now has two distinct options before it. There is a sizable body of opinion within the government itself that favours converting at least a part of this surplus into hard currencies and giving rupee trade a decent burial. But while some of the arguments in favour of this course of action are not without merit, namely that since in the Soviet Union prices are not determined by the market, many of its products, including aircraft and some heavy machinery are not economical to use in a market oriented economy like India, the main argument in favour of this course of action — that the Indian economy is now too mature (i.e. capable of competing on equal terms in international markets) to benefit from bilateral arrangements of this kind—is distinctly premature. Until switch trade assumes such large proportions that India finds itself losing more by way of exports to the hard currency areas than it is gaining by way of exports to the Soviet Union, rupee trade will remain a valuable additional source of purchasing power for capital goods and technology that is not available within the country. For instance, the Rs. 2,352 crores of trade surpluses that India has accumulated are sufficient to meet the full cost of imported equipment for the Visakhapatnam steel plant, and of coke ovens and blast furnaces for the Daitari and the Vijayanagar plants (areas in which Soviet technology compares with the best in the world) and still leave enough to pay for at least 1,000 MW of the power generating equipment for which India is taking export credits from the western countries. But while both Daitari and Vijayanagar have been shelved almost indefinitely for reasons that remain obscure, the government is putting up the Visakhapatnam steel plant and the Vindhyachal power plant with Soviet loans instead of outright purchases. What is more, even arms are purchased and paid for on a separate account. There is thus no need to wind up rupee trade. What the two countries should agree to do is merge the various accounts under which goods and services are exchanged by them. They will also do well to amend the bilateral trade agreement to ensure that both countries meet the foreign exchange cost of their imports from each other in convertible currencies. Lastly, the government will do well not to take exporters' complaints against the switch trade too seriously, because such deals at least serve the purpose of creating new markets for Indian goods. In any case an increase in switch trade is a signal to review the rupee-rouble exchange rate, and not to stop trade altogether.

CSO: 4600/1201



## PANEL ESTABLISHED TO MONITOR IMPORT REQUIREMENTS

New Delhi PATRIOT in English 19 May 83 p 5

[Text]

A group of secretaries has been constituted to work out the requirements of plants and equipment for the seventh Plan period and beyond in pursuance of the policy of achieving reduction in imports of capital goods for large-scale public sector projects. reports UNI.

The group will be headed by the Planning Secretary. The members of the committee will be secretaries of the departments of Heavy Industry, Power, Petroleum, Coal, Chemicals and Fertilisers, Mines and Defence Production, the Director General of Technical Development, the Director General of the Bureau of Public Enterprises, a representative of the Department of Expenditure and a member of the Railway Board in charge of transport.

The setting up of the group follows the directive of the Cabinet Committee on Economic Affairs that projects in the public sector should go in for long-term

planning and dovetail their requirements with the available production capacity in the country.

The critical sectors for which the requirements are to be worked out by the group include railways, power, coal and steel, mines, petroleum, shipping chemicals and fertilisers, heavy engineering and others requiring import of capital goods.

The group would suggest linking of plans of major users in the public sector with production units in the public sector undertakings. This would be to match available production capacity in the country with the demands for capital goods with a view to reducing imports to the extent feasible.

The group may suggest standardisation of designs at appropriate levels of technology, acceptable methods of costing and the measures necessary for ensuring adherence to both supply time schedules and quality levels by the producing units.

CSO: 4600/1205

DELHI ANNOUNCES LIBERALIZATION OF IMPORT POLICY

Calcutta THE STATESMAN in English 25 May 83 p 1

[Text] New Delhi, May 24.--A series of measures liberalizing import policy regarding export-oriented units have been announced, reports UNI. The liberalization follows the Union Commerce Minister's talks with representatives of trade and industry on May 7, according to an official release.

The upper limit for allowing automatic import of technical designs and drawings against licences by manufacturer-exporters had been doubled from Rs 10 lakhs to Rs 20 lakhs in the case of those exporting at least 25% of their production of select products subject to a minimum of Rs 5 lakhs for those who export select products of at least Rs 1 crore annually.

Besides, it will be open to a manufacturer to use his own replicence for this purpose or to acquire a replicence from another exporter for use for this purpose. "This facility is intended to make it comparatively easier for export-oriented units to upgrade their technology", the release said.

Manufacturer-exporters who exported at least 50% of their production with a minimum of Rs 5 lakhs f.o.b. in any of the two previous years will be allowed to import machinery up to Rs 50 lakhs in value against replicences in a year without the need for indigenous clearance, essentiality certificate and other capital goods licensing procedures. Till now the limit has been Rs 20 lakhs.

Here again, it will be left to the manufacturer to use his own replicence or to acquire one from other exporters for import of machinery.

"This facility is intended to provide an easier approach to the exporting units to modernize themselves if they are already contributing substantially to export efforts", the release explained.

The automatic licences issued to users are at present valid for import of limited permissible items within 10% of their value subject to a single item not exceeding Rs 1 lakh in value. This has been raised to Rs 1.5 lakhs so that the industry need not apply for supplementary licences to meet their small value requirements of limited permissible items.

Industrial units exporting 50% or more of their production can import limited permissible items also subject to the upper limit per item if it did not exceed Rs 1.5 lakhs. At present they can automatically obtain supplementary licence for a value not more than half of their automatic licence for the preceding period and can import items in the automatic permissible list or in the canalized list. For expeditious disposal of cases connected with technology upgradation of export-oriented units, it has been agreed to provide single window clearance.

Applications for import of machinery resulting in economies of raw material consumption of not less than 10% and for know-how, designs and the like will be considered by a coordination committee headed by the Chief Controller of Imports and Exports. No further clearance will be necessary once the coordination committee clears an application.

CSO: 4600/1225

## ECONOMIC ADVISORY PANEL SUBMITS FIRST REPORT

Calcutta THE STATESMAN in English 31 May 83 p 1

[Text]

NEW DELHI, May 30.—A strong recommendation that agricultural income be taxed has been made by the five-member Economic Advisory Council headed by Professor Sukhamoy Chakravarty. The council was appointed by Mrs Gandhi in February.

In its first report submitted to the Prime Minister on Saturday, the council said the Government should pay "more attention to collection of taxes in areas which do not pay the taxes at present", referring thereby to agricultural income.

In this context, it suggested that the tax administration be improved "particularly in the unincorporated sector", again implying, thereby, agriculture.

While admitting that there had been a "reasonable price stability", an increase in oil production and substantial expansion of irrigation facilities in the country during the last three years, the council suggested corrective action and recommended additional investments to strengthen rail transport and to utilize irrigation facilities.

The council was set up to advise the Government on issues relating to economic policy and development. Some of the issues it dealt with were referred to it by the Government, some were raised by its members.

The other members of the committee are Mr K. N. Raj, an economist, the Governor of the Reserve Bank, Mr Manmohan Singh and members of the Planning Commission, Mr A. M. Khusro and Mr C. N. Hanumantha Rao.

An official spokesman told reporters here today that it was a unanimous report and the Prime Minister and the Government would examine it.

The council pointed out that rice production was stagnant and there was a slowdown in energy conservation, unutilized capacity in power, irrigation, fertilizer, steel and cement plants.

It told the Government that the International Monetary Fund loan had helped the economy for a short while, but the Government should be prepared to meet the situation after the loan period came to an end.

It said the balance of payment problem was more structural than cyclical.

The council pointed out that the IMF loan had helped the country to sustain large imports and helped to contain inflationary pressures.

The council recommended an increase in rice production, particularly in the eastern and central regions like West Bengal, eastern Uttar Pradesh, Bihar and Madhya Pradesh.

CSO: 4600/1239

## OFFICIAL REPORTS SIXTH PLAN PROGRESS SATISFACTORY

Madras THE HINDU in English 22 May 83 p 6

[Text]

NEW DELHI, May 21.

Mr. K. V. Ramanathan, Secretary, Planning Commission, told the members of the forum of financial writers here today that as against the targeted public sector outlay of Rs. 97,500 crores for the Sixth Plan, the actual outlay achieved during the first three years from 1980-81 to 1982-83 was around Rs. 54,500 crores and at the end of the current year it would have risen to Rs. 80,000 crores. He, therefore, said that in purely financial terms at current prices, the progress of the Sixth Plan "cannot be considered unsatisfactory."

Mr. Ramanathan further pointed out that the record in respect of additional resource mobilisation, particularly of the Centre was also quite satisfactory. As against the targeted additional resources mobilisation of Rs. 12,290 crores for the Centre for the Sixth Plan, the likely extra resource mobilisation over the five-year period, as a result of the steps already taken would be Rs. 18,856 crores. This excludes the effect of steps that will be taken in 1984-85. In the case of the Centre, against the targeted additional resource mobilisation of Rs. 9,000 crores for the five-year period, the likely yield for the five years as a result of steps already taken would be Rs. 11,500 crores.

Mr. Ramanathan said the Planning Commission was now engaged in the exercises relating to the mid-term review of the Sixth Plan. He was not in a position to indicate what would be the actual financial outlay needed to achieve the Plan targets worked out at 1979-80 prices corresponding to the public sector outlay of Rs. 97,500 crores. The progress in the rate of growth has been uneven amounting to 6.4 per cent in the first two years, and 2.5 per cent in 1982-83.

Mr. Ramanathan said the Centre had also been able to achieve substantial increases in the annual Plan outlays during the last three years. The transfer of resources to the States indicated in the Plan document for the five-year period was Rs. 15,350 crores. The amount given to the States in the first three years was Rs. 12,800 crores while during the current year the assistance to the States would be Rs. 3,500 crores.

Mr. Ramanathan, however, admitted that the "other side of the picture" was not bright in view of the inflationary erosion of resources, escalation in project costs and the slippages in some of the projects like power generation, poor performances of public sector undertakings, State electricity boards and State road transport undertakings. As far as the States are concerned, the picture now seems to be that whatever income is going to accrue in terms of additional resource mobilisation, it would offset this erosion.

While in oil production, the target set for the Sixth Plan will be exceeded, power generation has suffered slippages. As against the Plan target of additional generation of 19,800 MW, not more than 7,000 MW has been added in the first three years and the achievement at the end of the Plan would not be more than 14,500 MW. Mr. Ramanathan said this was because of a "slow start" and it would be possible to make up the shortfall only in the first two years of the Seventh Plan. As for food production, the progress in the last two years had not been satisfactory.

**Need to raise food production**

Mr. Ramanathan said that in the drylands which have no irrigation facilities and are partly rainfed, food production should be increased by technological effort.

He said unless there were substantial increases in the surpluses generated by the public sector undertakings, and the Government had to depend entirely on taxation or increases in the administered prices, it would not help towards stepping up the resources for the Plan. This is another area in which efforts would have to be concentrated. He said so far as the Centre was concerned, there had been considerable improvement in the last two years and the position was expected to improve further. As far as the States were concerned, there were variations in the performance of their public sector undertakings.

## OFFICIAL REVIEWS SUCCESS IN JOINT VENTURES ABROAD

Madras THE HINDU in English 15 May 83 p 6

[Article by C. Venkataraman, additional secretary, Commerce Ministry]

[Text]

During the past three decades, capabilities have been built up in India to manufacture a wide range of capital and consumer goods and to provide varied infrastructural supports for agriculture and industry. The economic development has led to the emergence of several companies which possess the competence to undertake new industrial ventures in other countries. Against this background, the concept of joint ventures being an important aspect for export promotion came to be accepted. Joint ventures enable a country like India to share its developmental experience with other developing nations in particular. Besides, an Indian enterprise abroad could assist the cause of export promotion by projecting the country's capability to supply not merely diverse capital and consumer goods but also technical and managerial skills. Incidentally the Indian enterprises abroad get exposed to the latest technological development and management practices prevalent abroad, with the resultant advantages to the parent company and others within the country in due course.

Considering the fact that India is not capital-rich which can afford to export equity capital in the form of foreign exchange cash outgo, the policy for approving Indian joint ventures abroad is primarily aimed at allowing equity participation mostly in the form of export of capital goods or capitalisation of technical know-how. At the same time, appreciating the need for promoting cash remittances in deserving cases, a flexible approach has been adopted by the Government.

#### Heavy concentration in Malaysia and Singapore

At the end of June, 1982, there were 134 joint ventures in operation with 94 others in different stages of implementation. These are spread over 26 countries with almost half of them concentrated in four countries namely Malaysia (28), Singapore (14), Indonesia (12) and Kenya (10). Regionwise, as many as 73 Indian joint ventures are in operation in the neighbouring countries of South and South East Asia. Reasons for this are not difficult to seek. Thailand, for example, has been extending attractive facilities and tax concessions which some of the Indian units have taken advantage of for a period of even eight years. In Malaysia also, tax concessions are given when a newly set up industry is treated as one

with a pioneer status. In Singapore there is a natural advantage for setting up of a joint venture because capital machinery as well as raw materials, in almost all cases, are duty free. There are also no cumbersome procedures either for their import or for their exports. Of the 134 joint ventures in operation, 87 are engaged in manufacturing activity, accounting for 94 per cent of the total equity investment in operational joint ventures. A wide ranging field representing Engineering (30), textile (19), chemicals (12), palm oil refining (9), glass and paper (7) is the area of coverage by the Indian joint ventures.

An analysis of the pattern of investment by joint ventures in operation and those under implementation as at the end of March, 1982, is shown in the table —

Mode of participation	In operation	Under implementation
	Actual Indian equity	Approved Indian equity
	Rs. Crores	
Exports of capital	27.98	36.03
Capitalisation of knowhow	2.73	7.04
Cash remittance	4.77	25.59
Bonus shares obtained	10.02	—
Others (loans, adjustment of future profits and preliminary expenses capitalised)	0.87	3.17
	46.37	71.83

Though Indian joint ventures have been functioning abroad for over a decade and half, it is only in recent years that many of them have started doing well. The dividends gained from these ventures abroad from 1980-81 amount to Rs. 5.9 crores, which by itself may not be a figure to be complacent about. At the same time, if all "other repatriations" like those resulting from

technical knowhow, engineering services and consultancy, amounting to Rs. 14.62 crores and additional exports generated by these joint ventures, namely Rs. 114 crores, upto the end of 1981, are also taken into consideration, there can be an element of optimism. Dividend repatriation was below Rs. 40 lakhs a year upto 1976-77. But subsequently there has been a substantial increase every year, especially in 1979-80 when it was Rs. 1.86 crores. Likewise, in other repatriations from the joint ventures, there has been a steep increase year after year especially from 1977-78.

Even though at the end of June, 1982, 134 joint ventures were operational with 94 others under implementation, the total number of approved joint ventures far exceeds these. Bulk of them — almost 200 — were not implemented at all, whereas 49 became operational for some time and later were abandoned. It is believed that the mortality ratio was much higher in the case of joint ventures sanctioned prior to 1974. Some of the main reasons for joint ventures not taking off the ground or doing not too well, are seen to be (a) inadequate homework done by Indian entrepreneurs in making a proper assessment of the joint venture partners abroad or even the market potential; (b) instances in which the industrialists, accustomed to protective measures of Government in this country, had assumed that similar protection would be available in the host country; and (c) the comparatively small size of many of the Indian joint ventures. Of course, the usual problems of sudden lack of demand for the products manufactured and changes in demand pattern, which can to some extent be overcome by financially stronger and larger units, are also there.

An analysis of the investment pattern in manufacturing units (87) amongst the operational Indian joint ventures (134) reveals that the average size of the Indian joint ventures in terms of equity capital employed is about Rs. 1.56 crores. As many as 40 units have an equity base of less than Rs. 50 lakhs. If one goes by international standards and recognises the fact that these joint venture units located abroad, especially in economically free countries, have to compete with much bigger foreign companies including multi-nationals, the size of the joint ventures

definitely acts as a primary constraint for their success. This trend of establishment of sub-optimal units has to be reversed if the joint ventures have to achieve a good measure of success.

The one time ban on cash remittances by the promoters of the Indian joint ventures might have created certain liquidity problems. Some of the promoters, especially of ventures with a small percentage of equity participation, also seem to have been interested only in exporting some capital goods from the parent Company and not really committed to the success of the joint ventures.

There are also instances of excessive export of plant and machinery by the Indian promoter to the joint venture firm thereby creating liquidity problems. The answer, of course, to these does not necessarily lie in a liberal approach to proposals for cash remittances for joint ventures abroad. In the wake of prevailing international recession, the marketing of their products is becoming increasingly difficult. Therefore, one would come across cases pleading for cash help from India to the joint ventures abroad. If it is merely to solve liquidity problems, a critical look will have to be taken as to how injection of fresh capital in the form of cash would really make the unit viable and enable the unit to make profits. This scrutiny should necessarily be deep, taking note of the fact that in the past, the unit was working at a loss. On the other hand, if cash remittance is needed for expansion of the unit or to bring about a more rational and optimum use of the installed plant and machinery by adding balancing equipment, the scrutiny will have to be done on the basis of future potential after such expansion and in the light of the past performance of the unit.

While arriving at an assessment of the overall performance of the joint ventures abroad, it is to be noted that these ventures being essentially a movement of capital and technology across the frontiers, carrying certain uncertainties and risks, not ordinarily encountered in the domestic market. More success in future will depend on sponsoring units, which are of optimum size, so that they get the advantage of economies of scale in manufacture and ensuring that both modern technology and managerial expertise become available for these ventures.

ENERGY MINISTER OPENS SOVIET-AIDED OIL REFINERY

Bombay THE TIMES OF INDIA in English 15 May 83 p 1

[Text] Mathura, May 14 (PTI); The gigantic Mathura oil refinery with an installed capacity to process six million tonnes of crude, now on full stream, was formally inaugurated by the Union energy minister, Mr. P. Shiv Shanker, here today.

The Soviet-aided refinery project, twelfth in the country and set up at a cost of about Rs. 254 crores, processes both imported and Bombay high crude received through a 1,085-km. pipeline from the off-shore terminal at Salaya, in the Gulf off Kutch.

The inaugural function was attended among others by Mr. I. V. Arkhipov, first Soviet deputy prime minister; Mr. Gargi Shankar Mishra, minister of state for energy; and Mr. Sripat Mishra, the Uttar Pradesh chief minister.

Mr. Shiv Shanker expressed the hope that the country would achieve self-sufficiency in crude production by the end of the century.

Mr. Shiv Shanker said the capacity of crude refining in the country will reach 62 million tonnes by the end of the decade from the present 38 million tonnes.

He said the crude production will be raised to 26 million tonnes by the end of the current financial year. This would include an increase of five million tonnes over the previous year.

The minister said it was proposed to set up two more refineries at Mangalore and Karnal in Haryana, each with a capacity of six million tonnes, by the end of the decade. Also, the capacity of the existing refineries would be stepped up by 12 million tonnes during the period.

Mr. Shanker said the Mathura refinery, the third to be set up with Soviet assistance, symbolised the Soviet Union's willingness to help India in acquiring new technologies.

Mr. A. J. A. Touro, chairman of the Indian Oil Corporation, describing the Mathura refinery as a "modern temple", said it was a symbol of technical excellence and self-reliance.

Elaborate measures costing over Rs. 10 crores have been taken up to ensure environmental protection to surrounding areas of the refinery.



## PRIVATE SECTOR STUDY GROUP MAKES RECOMMENDATIONS

Madras THE HINDU in English 21 May 83 p 7

[Text]

NEW DELHI, May 20.

Abolition of surtax on company profits has been recommended in a report of the study group on financing of the private corporate sector in the Sixth Plan, headed by Mr. C. Rangarajan, Deputy Governor of the Reserve Bank of India, and set up by the Planning Commission.

The study group report which has been released by the Commission, was set up to suggest ways in which the needed resources at the desired levels of investment in the Plan period can be raised and to study the factors influencing corporate investment and to assess the sources of funds.

The Sixth Plan envisaged an investment of Rs. 19,582 crores at 1979-80 prices by the sector. The group has estimated that the total investment made in 1980-81 and 1981-82 at 1981-82 prices at Rs. 4,633 crores and Rs. 4,803 crores respectively. During the remaining three years, 1982-83 to 1984-85, the investment required would be Rs. 16,085 crores at 1981-82 prices.

On the suggestion for abolition of the company profits surtax, the group says, "the revenue realised from this does not seem to be substantial although, by its very nature, it acts as an incentive to bring down the level of profits by inflating expenditure and frittering away profits through lavish spending."

**Saving-investment ratio:** The group has pointed out that the ratio of internal savings of the sector to the total investment has been showing a tendency to rise from 44 per cent in 1977-78 to 50 per cent in 1980-81. "Even on a conservative estimate," it says, "the sector should be in a position to generate internal savings at least of the order of 50 per cent of the total investment contemplated."

It has, however, stressed that "the sector needs to be induced and helped to become more self-reliant by building up its own funds internally and by recourse to the capital market in a larger measure."

**Functioning of stock exchanges:** The group has recommended that the functioning of the stock exchanges "needs to be studied in depth by a high-power committee very urgently

with a view to ensuring that their working was not disrupted by recurrent crises, that they were able to handle efficiently a much larger volume of instruments and their management was representative of all the interests whose activities were influenced by their functioning."

**Corporation tax levels:** The group which had gone into the level of company taxation and the complaints about their adverse impact on savings for investment has, however, said, "Judging by the RBI data, it would appear that the effective corporation tax rate for a sample of public limited companies has declined from 48 per cent in 1977-78 to 40 per cent in 1980-81," though the nominal rate during all these years was more than 55 per cent. It has concluded that "the actual tax incidence" is not as high as might appear from the nominal rates," and does not think that there is any case for a general reduction of the rates of tax.

**Lure for equity investment:** Taking note of the investors' inclination to prefer safe investments like bank deposits the study group said, it is necessary to see that a minimum return is forthcoming on their investments in equities within a reasonable period and that risk capital enjoys some preference over safe investment in the matter of fiscal concessions."

It has, therefore, suggested that the fiscal policy should be so designed as to enable the companies step up their rate of savings and induce them to distribute a reasonable portion of their profits to assure a rate of dividend on equities comparable with the return expected from the safe investments after allowing for premium for risk.

**Integration of taxes:** On prospects for "integration of the taxation of companies with that of the shareholders" the group says that a system of partial integration in some form calls for serious consideration if the tax system is to be neutral as between the different forms of business enterprise and if risk capital like equity is to attract ordinary investors."

The group has suggested that the entire exemption of Rs. 9,000 now provided under Section 80-L should be thrown open to dividend income also with interest and income from the Units of the Unit Trust of India.

It should be made clear in law that the gains arising from the conversion of debentures into equities should not attract tax until the gains are realised.

**Convertible debentures:** The group was of the view that there is "considerable merit" in the suggestion for permitting new companies to issue initially debentures, fully convertible into equity, after three or four years in lieu of

equity shares and carrying a rate of interest which need not be pegged to the 13.5 per cent.

It has recommended that a practical alternative scheme be evolved to ensure a reasonable rate of return on equity in the initial years when a company is unable to declare dividend.

It has also recommended that the ceiling rate of dividend on preference shares be raised to 15 per cent from present 13.5 per cent.

CSO: 4600/1213

## TRADE WITH COMECON COUNTRIES EXPECTED TO INCREASE

Madras THE HINDU in English 20 May 83 p 8

[Editorial]

[Text]

THE RECENT VISIT of Mr. I. V. Arkhipov, Soviet First Deputy Prime Minister, was said to be part of the routine exchanges between the two countries on efforts to sustain and improve upon bilateral economic, commercial and technological relations. But developments in the next few weeks might well show that it has more than ordinary significance. While exports to the rest of the world are facing rough weather, sales to East European countries (Comecon) are projected to increase substantially, at any rate if the trade plans for 1983 that have been approved with five countries — the Soviet Union, Czechoslovakia, Poland, Romania and the German Democratic Republic — are any indication. Two-way transactions with these rupee trade partners are expected to grow to more than Rs. 5,800 crores this year from Rs. 4,460 crores in 1982. The imports are slated to rise by 32 per cent and exports by 28 per cent.

Expectations are that the value of Indo-Soviet trade will cross Rs. 3,600 crores in 1983 — Rs. 1,880 crores of Indian exports and Rs. 1,750 crores of imports. These figures compare with Rs. 1,800 crores and Rs. 1,300 crores last year. Moscow has been pressing India to buy more because the surplus in the latter's favour rose to

more than Rs. 500 crores last year. The accumulation of surpluses over the years has been quite large. The Soviet Union is the biggest single buyer of Indian products and in some items, cashew for instance, the stoppage of purchases has led to serious consequences for the industry in Kerala. The tobacco trade in Andhra Pradesh has also been affected by shifts in Soviet purchase policy. There have been suggestions that India should increase its purchases of oil and oil products from the USSR. Because of improved indigenous efforts, India has reduced its reliance on imports of foreign equipment even for major projects like oil refineries and steel plants. One possibility is that the accumulated balances would be used to buy military hardware for all the three arms of the defence services. In tea, cashew, tobacco and jute goods the USSR has become a dominant buyer. In cotton textiles it accounted for more than half the foreign buying in 1982. In tea and jute the prices obtained have been higher than in other international markets. But heavy dependence on one buyer carries with it the hazard of erosion of bargaining power. If the prospective increase in trade with the USSR is welcome, it should not be at the expense of exports to multilateral exchange economies.

CSO: 4600/1209

## PRESS ON DEVELOPMENTS IN TRADE WITH WEST GERMANY

## High Deficit Reported

New Delhi PATRIOT in English 29 May 83 p 3

[Article by Ramesh Jaura]

[Text]

BONN, May 28 — India has incurred the highest deficit since 1981 in its trade with West Germany in the first quarter of the current year, according to figures released by the Federal Statistical Office in Wiesbaden.

From DM 5.946 billion in January-March 1981 and DM 14.309 million during the corresponding period last year, the trade deficit has mounted to DM 20.880 million this year.

A close look at the statistics reveals a steady rise in FRG's exports to India from DM 46.685 million in the first quarter of 1981 to DM 53.242 million last year and finally to DM 54.849 million during January-March 1983.

On the other hand, the value of goods purchased by West Germany from India has been undergoing a decline — from DM 40.739 million two years ago in the first quarter to DM 38.932 million last year and DM 33.968 million during January-March 1983.

While India's exports to West Germany plummeted by 12.5 per cent in the first quarter of the current year, the imports registered a respectable uptrend of 3.01 per cent during the corresponding period. Knowledgeable sources attribute the expanded trade deficit to two main factors: the strength of the rupee against DM which made Indian exports more costly and slump in economic activity in FRG, not the least due to 6 March general elections.

## HINDU Editorial

Madras THE HINDU in English 30 May 83 p 8

[Editorial]

INDIAN EXPORTS TO West Germany are valued at Rs. 507.2 crores of which the earnings from goods benefitting from the Generalised Scheme of Preferences are Rs. 216.92 crores. Around 97 per cent of West German trade with East Asia is shared by 11 countries and territories. Excluding Japan which accounts for one third of this trade, India ranks below Hong Kong, China, Taiwan and Indonesia and is ahead of South Korea, Singapore, Malaysia, Thailand and the Philippines. India's share is 6.6 per cent against Hong Kong's 9.6 per cent and China's 7.5 per cent. As an exporter to West Germany, India has slid down to the eighth position from the seventh among the East Asian developing economies. It is also to be noted that India has utilised the duty free possibilities in re-

spect of only 57 items while this advantage is exploited by South Korea with regard to 93 items, followed by China with 78. Official spokesmen point to the fact that India is the sole supplier under the GSP for 18 items comprising textile products, processed agricultural goods and some manufactured and semi-manufactured commodities other than textiles. But the earnings from these are very small. It is necessary to keep in perspective the claim that Indian exports to West Germany have over the last eight years increased by 423 per cent in respect of carpets and 357 per cent and 596 per cent respectively in respect of fabrics, garments and other textiles. The base is very low and the potential for growth, which is enormous, needs to be activated vigorously through a well-phased export promotion programme. The trade

deficit with West Germany has expanded by nearly Rs. 300 crores between 1980 and now — since that country continues to be one of India's major suppliers of technical goods as well as expertise. The immediate thing to do is to work out a scheme to utilise the technical competence built over the years in India to encourage West German buying on a sufficient scale to close the trade gap.

Since 1979-80, the terms of West German loans have softened. They are of the International Development Association pattern with a grace period of 10 years, a repayment period of 50 years and a service charge of 0.75 per cent. Under the latest financial cooperation agreement, the West German Government has committed Rs. 141.84 crores of which commodity aid accounts for the bulk. Project assistance includes Rs. 26 crores for the Neyveli Lignite Corporation besides Rs. 11 crores for the Ramagundam and Korba super thermal plants. There are also small allocations as, for instance, to minor irrigation (Rajasthan). West German

collaboration in the Rourkela steel project has been the prime mover, giving the Germans a feel of the economy and has triggered the later commitments of technical assistance. A Bonn spokesman has conceded recently that the impression in India that there will be "a slashing down" of German financial assistance is not inaccurate. To quote: "there is no secret about the overall struggle of the Federal Government for a consolidated budget which also affects the resources allotted for development cooperation". This is a pointer to the urgency of strengthening the trade arm besides improving the investment flows from West Germany. The potential for such investment is not insignificant. A recent international survey of the investment climate in 48 countries notes that "India deserves plus points especially with regard to factors like the political stability, the legal system, the managerial talent, the reliability of Indian business partners and the vast manpower." Will there be results flowing from such a perception?

CSO: 4600/1237

## EDITORIAL NOTES DIFFICULTIES IN SPACE PROGRAM

Calcutta THE STATESMAN in English 14 May 83 p 9

[Text] It was, perhaps, only to be expected that Indian space scientists would not find it too difficult to rectify the defects in the camera aboard the Rohini-3 satellite. Apparently, it is no longer blind, and is able to transmit pictures after identifying various features on the ground. Nor need such temporary failures in space missions necessarily cause too much dismay. They are common enough and only recently, the European Space Agency had to postpone launching its Ariane spacecraft because of problems which had led to the failure of an earlier venture. The launching of Rohini-3 was also twice deferred, presumably because of minor difficulties with the fourth stage rocket. Its current problems, however, merit rather more attention because almost all recent Indian space programmes have been beset with difficulties. Last year's failure of INSAT-1A was perhaps the costliest of them all. Nor did the Department of Space exactly enhance its reputation by trying to camouflage the setback by maintaining that although there was nothing wrong with the satellite's basic design, it went dead because of "relatively minor deficiencies, each of which, under normal circumstances, was extremely unlikely to cause a catastrophe". What should obviously have been foreseen was that minor faults could add up to cause a major problem. The unconvincing apology was reminiscent of the attempt to play down the failure of the SLV-3 in 1979 as "a partial success".

Almost as demoralizing as the failure of INSAT-1A was the burning up of Rohini-2 in 1981, only nine days after being launched. And although Rohini-1 was hoisted successfully, it was actually placed in a higher orbit than intended, an unfortunate error in space technology where precision is of prime importance. These setbacks may have been partially compensated when Indian scientists succeeded in taking the Apple to a geostationary orbit after it had been placed in a lower orbit by an European Space Agency rocket, but all kinds of trouble caused by a jammed solar panel and depleted fuel stocks on board, continued to plague the venture. The only satellite which seems to have functioned more or less without a hitch is Bhaskara II which was launched from the Soviet Union in 1981. But this cannot be said of Aryabhata and Bhaskara I, the two other satellites that were also put into orbit by the Russians. The former faced problems with its power supply system as a result of which several experiments had to be cancelled, and the Bhaskara I's television cameras could not be switched on for a long time.

It may appear somewhat ungracious to harp only on failures when there can be no denying that India's space efforts have made remarkable progress within a relatively short period of time. Our scientists have also gained immense experience in fabricating equipment and carrying out intricate manoeuvres. But, perhaps, it would be rewarding for the space establishment to pause now to take stock of what has been achieved so far and ensure that the new technology has been adequately mastered. Questions have already been raised about the relevance of the enormous expenditure on space programmes to the country's overall development efforts. Any doubts on this score can only be reinforced if nearly all our satellites are found to develop faults, possibly because some of India's space planners are anxious to run before walking with full confidence. The need for caution is not altogether removed by Monday's welcome announcement that the Rohini-3 camera was put right two days earlier.

## PARLIAMENT PANEL SCORES DELAY IN AMMUNITION PROJECT

New Delhi PATRIOT in English 20 May 83 p 5

[Text] Production of ammunition for an imported medium range gun is still to start within the country, though the project for this purpose was conceived in 1965 and "actually sanctioned" in 1972, the Public Accounts Committee of Parliament has pointed out, reports PTL.

The full-scale production is not expected to begin till next year, it says.

It is 'shocking' since at the time of introduction of the gun in 1965 it was accepted that it would be in use of 20 years till 1985.

"A bigger surprise is that it has now been claimed (by the Defence Ministry) that the gun will be in use till 2000 AD" says the committee in the 156th report, presented to Parliament during the just-concluded Budget session.

The committee has further said that because of this delay Rs 21.50 crores had been spent since 1977 for the import of this ammunition.

Giving the history of the case, the committee says the gun was introduced in service in 1966. Its ammunition was initially imported from a certain country.

But, as the gun was expected to be in service for 20 years, it was proposed in 1965 to establish facilities for indigenous production of

the ammunition to achieve self-sufficiency.

Expressing dismay at every stage of the project, the committee says 'although it was conceived in 1965 and documentation was received in 1966, the project was actually sanctioned only in 1972.'

It further says that while the project was expected to be completed in five years, "it is now expected to take 12 years for completion with an escalation in cost of more than Rs six crores".

The delay on the part of the authorities in implementing "a project of such vital importance to the defence forces was 'deplorable'", the committee says.

The Committee is not satisfied with the reasons given by the Defence Ministry for the delay in the implementation of the project.

It has desired that the matter should be inquired into, and the findings together with the action taken on them be intimated to it within six months.

The committee says according to the Ministry, it was accepted at the time of introduction of the gun in 1965, that this would be in use till 1985.

However, the project was pursued "in such a casual manner that

the full-scale production is not expected to establish till 1984, which is practically the terminal year for the use of this gun'.

"This speaks volumes of the inefficient, if not negligence of the machinery in charge of planning and execution of projects" the committee says.

PAC says it is not only 'surprised but shocked' at this state of affairs.

'A bigger surprise is that it has now been claimed that the gun will be in use till 2000 AD'.

The committee says the matter was never intimated to the audit at any stage.

Either the earlier assessment was wrong or the present statement 'is an alibi to cover the lapses' it adds.

PAC says in matters of defence such alibis may lead the country to disastrous results.

'It so appears that our craze for imported equipment has throttled all our national efforts for indigenisation in the field of defence production'.

Taking a serious view of the whole situation, the committee has desired that the case may be brought to the notice of the Defence Minister.

CSO: 4600/1210

## NEED FOR CLEARCUT COMPUTER POLICY REVEALED

Bombay THE TIMES OF INDIA in English 13 May 83 p 7

[Article by D. G. Gupte]

[Text] Bombay, May 11.

Computers have been in use in India for over two decades. However, their present use is largely confined to those applications which require time-liness and accuracy, and most of these applications deal with large volumes of transactions. Thus computerisation has made very little difference to efficiency and effectiveness in the industry, transport, business and service sectors so far.

Those connected with the field feel that the growth and level of computerisation in the country has been halting, and the progress so far "depressing and abysmal." The computer scene is littered with "constraints, obstacles and myths." While many countries are going through an information and knowledge explosion with the help of computers, India has remained far behind in this field. This is mainly because of a lack of clear cut national policy in this respect, it is felt.

According to the annual report for 1982-83 of the department of electronics, government of India, the DoE has embarked upon an integrated plan of development, regulation, production and promotion of computers and instrumentation. The department's activities relate to computerisation of important sectors like defence, energy, railways, communications and education. The department is responsible for global tendering and procurement of computers costing Rs. 5 lakhs (c.i.f.) and above.

Recently, non-resident Indians have been permitted to import second-hand computers without any clearance. The only stipulation in the recent import policy is that the value of such old computers should not exceed Rs. 5 lakhs. However, even if the actual price is more, with declaration of the computer value at Rs. 5 lakhs or less, a non-resident Indian can import such computers.

On the manufacturing front, the indigenous computer production has increased from Rs. 28.5 crores in 1981 to Rs. 48 crores in 1982. There is growth in



the areas of mini computers and micro processors based systems as well as in the mini and midi computers. Midi computers are at present being manufactured by Electronics Corporation of India (ECIL) and Indian Computers Indian Manufacturers Ltd. (ICIM), while the lower and mini computers are available from indigenous sources catering to diverse applications.

The DoE has recently floated a tender for the transfer of technology for the manufacture of a "family of computers" to achieve self-reliance for the midi and maxi range of computers, where the Indian expertise is limited.

If computers are to be properly utilised, they need well-developed software which in simple terms means programmes and designs of file to make the physical units of a computer system perform the desired function.

It is precisely in this area that India can play a prominent role with its advantage over most countries of world--its proven potential for a tremendous brain power pool.

In absolute terms, USA is the largest single market for computer software in the world. Its current size is placed at \$15 billion (around Rs. 15,000 crores). What is more, it is growing at the rate of 30 to 40 per cent per annum. The U.S. software market comprises about half of the total world market placed at around \$30 billion (Rs. 30,000 crores).

Although India possesses a tremendous cost advantage in developing computer software for the US and other overseas market, there is considerable lack of awareness in the US and most other countries about India's industrial and software capability.

Exports of computer software totalled only Rs. 10 crores in 1981-82 and around Rs. 13 crores in 1982-83. Tata Consultancy Services (TCS), a member of the Tata group of companies, and Tata Burroughs Ltd. (TBL), a joint venture between Tata Sons and Burroughs Corporation of USA, are two major Indian companies engaged in the field.

Computer Maintenance Corporation (CMC) was set up in 1975 to provide a complete range of computer support services within the country. The corporation has expanded not only in its hardware maintenance base since 1978-79, particularly after the withdrawal of IBM from India, but also in other areas of computer support.

Mr. K. C. Popat, a director of Tata Burroughs, said with the excellent talent that it possesses, India can hope to have at least one or two per cent of the multi billion dollar world software export market, provided "we have the right government policy".

Mr. Popat pointed that a small country like Taiwan has set a national goal of having three per cent of the software export market in the next three to five years. The Chinese government has decided to have a cooperative arrangement with the US companies to set up joint ventures in computer hardware and software.

Japan has committed to develop the fifth generation computers in the next five to six years. These will come fairly close to human intelligence, and in certain function be able to perform much more. The Japanese are not developing this just as an academic exercise. Since they have realised that further progress in their economy is not possible without it, they are going in for a \$300 million (Rs. 300 crore) investment programme for the purpose.

Mr. Popat said it is necessary to develop "computer culture" in the country. There is no proper policy for manufacture of computers. "Today what we have are only micro computers and processors."

Mr. Popat said it would be worthwhile to have a tie up with one of two large computer manufacturing companies, in the USA. Since American software companies and end-users prefer to deal with specialists, Indian companies must clearly define their areas of specialisation before attempting to market their services, he said.

Lack of computer knowledge among political and executive decision makers has inhibited the growth of computer technology in the country. An understanding of the various aspects can help in removing many procedural and infrastructural barriers which come in the way of software exports, it is felt.

Dr. Nirmal Jain of TCS said some flexibility in the government policy was needed. He pointed out that the government stipulation that if a computer was imported for software exports, the importer must generate value added exports of 100 per cent in certain cases and 200 per cent in others, was the main factor for the country's poor performance in software exports.

Dr. Jain said a certain amount of support from the local market was essential for exploiting the world software markets. It was, therefore, appropriate to allow a computer to be used for local customer in order to provide a base and financial security which were necessary to develop software exports. "It is a capability that we are building."

Referring to the increasing exports of diamonds, Dr. Jain said exporters in the field had proved that given adequate facilities, exports could be multiplied in a few years.

He said engineering colleges and universities must have the most modern computers. Currently, only a few institutions train people in computer science area.

Pleading for selective liberalisation of import of latest computer systems, Mr. Y. P. Sahni of TCS said it was essential to make people familiar with various types of computers, since software exports meant supply of programmes and designs to businessmen and financial and industrial institutions.

This business could not be wholly export-oriented. Back-up at home was necessary. Absorption of technology at all levels of professionals was important.

Mr. Sahni said while customers in the advanced countries wanted automated systems, in India intermediary systems were needed. Even the software market in West Asian countries was becoming sophisticated.

He said India was at a take-off stage in the field of software exports. In future, our companies should be in a position to take up large and sophisticated jobs. He was confident that given the right government policy, it should not be difficult to take software exports to around Rs. 90-Rs. 100 crores in the next 8 to 10 years.

Some experts feel that it is essential to improve our communication systems for telephones, telex and computer data communication. India can tie into existing computer network for access to large computer systems, latest software and hardware. This will also permit computer aided documentation and project monitoring to the satisfaction of the US clients in particular, it is felt.

CSO: 4600/1193A

## OCEANOGRAPHIC RESEARCH PLANS DRAWN UP

Madras THE HINDU in English 31 May 83 p 1

[Text]

PANAJI, May 30.

Strengthening the fleet for oceanographic research and continuing research activities pertaining to exploration of the Antarctica and of the sea bed for polymetallic nodules, are the highlights of the Rs. 32 crore programme for the year 1983-84 drawn up by the Department of Oceanographic Development.

Though the outlay is almost double that of the original budget provision of Rs. 17 crores of last year it is less than the revised budget estimates of Rs. 45.34 crores.

There has been an increase in the outlay for both its prestigious programmes — the Antarctica and the exploration for polymetallic nodules which get Rs. 7 crores and Rs. 9.6 crores respectively.

On the other hand, the outlay for the acquisition of ocean-going research vessels, which stood at Rs. 14.25 crores originally last year, to be revised to Rs. 37.15 crores has been put at Rs. 14.50 crores for this year.

The National Institute of Oceanographic Research, Goa, has been the focal point of the activities of the Department after the Government gave a new dimension to oceanographic research.

Gaveshani has all along been the sole ocean-going research vessel operated by NIO. Not only has a bigger and more sophisticated vessel, Sagar Kanya, been added but the Government of India has signed an agreement with a Danish firm for acquiring a fisheries oceanographic research vessel (FORV).

**Sophisticated vessel:** Sagar Kanya, which the Government of India took delivery from West Germany recently, is described as a most sophisticated and highly advanced research vessel. The vessel (length 100 m; breadth 16.3 m; gross tonnage 4500; endurance 45 days; accommodation 35 scientists and 56 crew members and speed 14.25 knots) is to be used for deep sea research and for survey of polymetallic nodules in the Indian Ocean and also for assisting and guiding future ocean-going mining vessels either during pilot survey or in full scale operations. The ship is expected to arrive in India next month.

The FORV is being acquired mainly for locating living resources, assigning their extent and identify the spawning grounds of economically important fishes. The ship is likely to be delivered by September 1984.

**Ice-breaker to be acquired:** For furtherance of the Antarctica programme the Department of Ocean Development has plans to acquire an ice-breaker and suitable aircraft which can land on ice in view of the plans to have a manned station in Antarctica.

In the absence of an ice-breaker of its own, the Government of India had to charter the Norwegian ship mv Polar Circle, for the two scientific expeditions to the frozen continent.

Between mv Gaveshani and the two ships taken on charter from Norway and Britain, — mv Skandi Surveyor and mv Farnella, nine cruises have been made in the Indian Ocean for the exploration of polymetallic nodules so far.

Polymetallic nodules containing iron, manganese and other metals like copper, cobalt and nickel, are estimated to cover an area of 10 to 15 million sq.km. in the Indian Ocean as against an area of 46 million sq.km. in all the oceans. The nodules, generally occur between 3500 and 6000 metres depth.

An area of 2.6 million sq.km of the central Indian Ocean has been surveyed and it has been found that one million sq.km. are covered with nodules and the highest density of 21 kg per square metre has been observed.

**Two-phase programme:** The National Institute of Oceanography which has been carrying out research and development in this regard since 1977, has planned a two-phase programme to explore polymetallic nodules.

The first phase of the programme is in operation and in the second phase NIO, several organisations like the Geological Survey of India, National Geophysical Research Institute, Regional Research Laboratory Jamshedpur, Bhabha Atomic Research Centre, Bombay, Hindustan Zinc Ltd., Hindustan Copper Ltd. and the Indian Bureau of Mines will be involved.

India is among the four countries and four multinational consortia recognised as "Pioneer

Investors" in terms of the resolution passed at the Third U.N. conference on the Law of the Sea in the context of the preparatory investments in pioneering activities made relating to polymetallic nodules.

This development, according to the Department of Ocean Development, will accelerate the preparatory work connected with deep sea mining. The other three countries, which along with India have been recognised as "Pioneer Investors" are France, Japan and

the Soviet Union besides four multinational consortia all headed by the U.S.

While the first phase of the work comprises location of mine sites the second phase will be initiated in the area identified.

While rv Gaveshani has been released for regular research and development programmes of the NIO, the two other chartered vessels are still engaged in exploratory work in the Central Indian Ocean and the data which are continuously coming are being processed.

CSO: 4600/1240

## MORE DAM PROJECTS SAID TO ENDANGER ECOLOGY

Bombay THE TIMES OF INDIA in English 18 May 83 p 5

[Text] NEW DELHI, May 17 (UNI).

**I**NDIA has become one of the world's leading dam builders.

It has already built 1,554 large dams and many small and medium ones at a cost of more than Rs. 10,000 crores. Another 200 hydro-electricity projects are either under-way or planned.

India's hydro-electricity potential is estimated at 75,000 MW. But only ten per cent of this has so far been exploited, according to the International Development Research Centre.

**WORKING GROUP**

With sites in the outer Himalayas now more or less exhausted, the country's dam builders are moving deep into the Himalayan interior, where the ecosystem is extremely fragile, causing concern among environmentalists. A local movement opposing construction of the 480 MW Vishnu Prayag project has drawn attention to the ecological dangers it poses.

Concerned by the growing criticism of large dams, the planning commission recently set up three working

groups to revise the existing standards for evaluating them.

Experts are now challenging the assumption that hydro is the cheapest form of electricity. They argue that rehabilitation costs and damage to the ecosystem are being grossly under-estimated in feasibility studies prepared by state authorities.

An example is the proposed 220 MW project on the Bedti river in Karnataka. A farmers' co-operative in the nearby town of Sirsi, whose arecanut and pepper plantations will be submerged by the dam's waters, claims to have discovered serious shortcomings in the detailed project reports prepared by the Karnataka Power Corporation.

The costs estimated by the corporation's engineers did not include the loss of earnings from the 10,000 hectares of forest which were going to be either submerged or cleared, nor the loss of agricultural land. They took into account only the cost of acquiring the lands.

In the case of the Tehri dam, already under construction in the Himalayan foothills, local environmentalists have warned of the dangers in the event of a major earthquake because the dam and the lake it will

create lie in a seismic zone.

In South India, a protest against the Silent Valley hydro project was sparked by the threat the project posed to the only remaining, genetically rich, tropical evergreen forest in the country.

Dams are generally built in remote forest locations, where most of the tribal population lives. The construction of a major dam has often meant a direct assault on their life-style. The vital community fabric of the tribal villages is destroyed, and so is the forest environment on which their daily life depends.

The Indravati dam in Orissa will submerge 99 villages, displacing some 4,000 tribal families, and submerging 33,000 acres of land.

The national committee on environmental planning has stressed the need to begin watershed management of the catchment areas several years before dam construction starts.

Several environmental pressure groups are pressing the planning commission to establish clear-cut guidelines with this in mind, and to clearly demarcate areas of environmental importance, so that these can be kept out of reach of future dam projects.

CSO: 5000/7043

## CONCERN OVER IDUKKI PROJECT EFFECTS ON ECOSYSTEM

Madras THE HINDU in English 13 May 83 p 7

[Text]

HUBLI, May 12.

The massive Idukki hydro-electric project and allied systems have affected the ecological balance of that part of Kerala's High Ranges, already otherwise denuded, studies sponsored by the Government of India have indicated.

The plateau above the Idukki project area is highly dissected and is undergoing intensive reduction through denudation which has resulted in erosion, according to information available here.

The studies, initiated by the Department of Environment made use of maps of the forests, vegetation types, geomorphology and soil characteristics and data provided by the LANDSAT, the U.S. satellite in 1973 and 1981 and interpreted by the National Remote Sensing Agency. The Kerala Centre for Earth Sciences, Kerala State Electricity Board, Central Ground Water Board, Regional Research Laboratory, Trivandrum, Botanical Survey of India, Zoological Survey of India, Kerala Forest Research Institute and the Kerala State Water Pollution Control Board also conducted studies.

According to the NRSA studies, at places hills and gullies have developed due to indiscriminate clearing by private parties without caring for the stability of the slopes. A comparative analysis of the 1973 and 1982 satellite data has also revealed considerable reduction of evergreen and semi-ever green forests in the area but this has been replaced by man-made vegetation to some extent.

**River discharge reduced:** On the impact of the project on the physical systems of the Periyar-Thodupuzha drainage basin, the Centre for Earth Sciences, says that the damming of the Periyar river has caused a drastic reduction in the river discharge and has led to the emergence of fluvial terraces, decrease in the sediment-carrying capacity of the river and formation of sand bars and water channels. Geologically, the area mainly consists of crystalline rocks while the western margin is comprised of sedimentary deposits.

The KSEB study found no significant change in the rainfall in the area after the creation of the reservoir.

**PH value of water:** The Water Pollution Control Board which fixed about 15 stations in

the reservoir area and seven stations within the region from the tunnel exit to Moolamattom power house found that the PH values of the water fell within acidic to neutral range. The thermal stratification showed an interesting feature in that, the temperature decreased consistently from the surface to 50m and then increased towards the bottom. Calcium hardness amounted to more than half of the total hardness estimated in the reservoir. The concentration of other elements like phosphate and nitrate was low.

The Forest Research Institute found that the wildlife in the Idukki area was highly disturbed. Much damage was noticed during the construction period. The animal density at present in the area is low and the population of typical animals in this kind of habitat, like elephant, gaur, sambar, barking deer, musk deer, wild bear, wild dog, panther and porcupine, has considerably decreased. Similarly some plant species like *Dipterocarpus indicus*, *Mesua fura* and *Zanthoxylum rheisa* have been eliminated.

**Forest cover reduced:** The Botanical Survey of India reported a sharp reduction in forest cover. Obnoxious species like *Eupatorium*, *Lantana* and *Mikania* are posing a threat to the vegetation. A number of species belonging to fungi, bryophytes and lichens — some of them new — were also noticed.

According to the Zoological Survey of India, the population in general of aquatic organisms in the reservoir was low. In all, 19 species of fish were identified, of which 21.6 per cent belonged to the species *Rasbora daniconius*. Only 12 reptilian species could be identified against 44 species once reported from the region.

The Central Ground Water Board has been investigating into water level fluctuations, ground water quality, soil moisture, rainfall infiltration, ground water movement, water logging and evaporation, but no interpretative analysis has been made.

The monitoring committee of the Department of Environment, has approved two sub-projects for the study of human elements and history of the development of Idukki region.

## WRITER TELLS OF LOOMING HIMALAYAN ECOLOGICAL CRISIS

Bombay THE TIMES OF INDIA in English 26, 27 May 83

[Article by Rashmi De Roy]

[26 May 83 p 8]

[Text]

IN the last three decades, the Himalayas have been looked upon as reservoirs of resources. Unfortunately, the exploitation of these resources has been so rapid and so destructive that today ecological degradation is threatening almost the entire range. It is reported that Nepal is likely to be all but totally denuded of forests by the end of the century; that increasing desertification is compelling the hill people to migrate into the terai belt, which is fast filling up; that silt carried by the rivers of the Gangetic plain discolours the Bay of Bengal for four hundred miles offshore; and what is still more revealing of the true extent of soil erosion, that a new land-mass, some 50,000 sq. km. in area, is being created off the mouth of the Hooghly. Ground-water springs, the very life-source of the vegetable and human life of the mountains, are drying up, while sedimentation in the reservoirs of dams (such as the Bhakra and the Ramganga) is reducing their useful life drastically. The situation is, to say the least, frightening.

In recent years, soil conservation projects have been started, the Ramganga conservation programme, the Sukhomajri plan (called 'social fencing' by Dr. P. R. Mishra of the Central Soil and Water Conservation Research and Training Institute) and the Indo-German Dhauladhar project, to mention a few. However, such projects have come in the wake of ecological disaster, when virtually irreparable damage has already been inflicted upon these areas.

There is yet another valley in the Himalayas where the 'brown' disease is spreading like a malignant cancer—the upper Beas valley. This

extraordinarily beautiful valley has been chosen as the next victim of man's blind, reckless exploitation. It is one of those Himalayan valleys where the progressive destruction of the ecosystem is easily discernible. What passes for economic development is a recent phenomenon here, and has followed on the heels of transport development. Till the rapid improvement of roads leading to and within the valley in the 1960s, the Upper Beas had been almost completely isolated from the changes sweeping the rest of the country. The only means of communication till the 1920s were bridle paths which could be traversed on foot and by pack animals.

### Motorable Roads

The construction of motorable roads began in the twenties and the first motorable road, linking Pathankot to Manali at the head of the valley, via Mandi and Kulu, was opened to traffic in 1926. Other roads were built in subsequent years linking the various parts of the valley itself. This opened the door to the extraction of a wide variety of resources, mainly timber, on a scale hitherto undreamed of.

Road construction was accelerated after the China-India war in 1962. A new road from Chandigarh via Sundernagar—today, National Highway (N.H.) 21—shortened the distance from Manali to Delhi by 241 km. compared to the road via Pathankot. This gave a fillip to the commercial exploitation of the valley and its resources.

In the last two decades, the standard of living of the inhabitants has risen considerably. Orchards, wood-based industries and tourism have mushroomed and attracted settlers. The greatest decennial population in-

crease took place in the 1960s, when the population of the tract rose by 31 per cent, against the decennial growth of six per cent between 1941 and 1951 and eight per cent between 1951 and 1961. In the decade 1961-71, Kulu town registered a population increase of 83 per cent, whereas in the preceding decade the increase was only 32 per cent. The growing number of permanent residents naturally intensified pressure on all the area's natural resources.

But this pressure pales into insignificance before the phenomenal increase in the exploitation of the prime natural resources of the valley, timber. As the road network has grown, the felling of trees for timber has burgeoned. From 8,984 cu. m. in 1966, the figure shot up by 193 per cent to 26,346 cu. m. in 1970, and then by another 238 per cent to 89,058 cu. m. in 1975! Timber exports escalated by 86 per cent between September 1953 and September 1965; by 539 per cent between 1965 and 1971; and by 153 per cent between 1971 and 1978. An increasing number of purchasers, right-holders and free-grantees have been joined by the government agencies in the scramble for timber.

Again, with the development of road transport, a number of other tree species, too heavy to be floated downriver or marketed without motorised transport, have begun to be commercially exploited today. In this category fall the broad-leaved maple, kharsu and ban oaks, bird-cherry, horse chestnut and walnut. From a negligible quantum prior to 1970, the extraction of the broad-leaved varieties shot up in just three years to more than 42,000 cu. m. in 1972-73. Apart from meeting almost the entire fuel-wood requirements of the valley, these species are being increasingly used in wood-based industries.



## New Industries

Not surprisingly, new industries in the valley have almost entirely been woodbased. A large number of units are engaged in the manufacture of furniture, railway sleepers, shuttles, bobbins, battery separators, handicrafts, woodwool, gun butts, pencil blocks, slates, toys and the like. In addition, the demand for ever larger amounts of timber has come from two other fast-expanding sectors, horticulture and tourism.

The state horticulture department estimates that roughly 5,600 hectares of land is under fruit cultivation in Kulu district. As a result, from 1.4 lakh kg in 1953, apple exports grew to 112.4 lakh kg in 1978. But this was only the beginning. When, in a year or two, the trees on this land reach full bearing capacity, about five million wooden boxes, capable of holding 10 kg. of apples each, will be required. Compared to about 37,500 cu. m. used in 1979, the annual requirements in the very

near future will more than double to almost 80,000 cu. m. of which two-thirds will be extracted from the Upper Beas valley itself.

As one of the popular hill resorts in the country, Kulu has seen a phenomenal increase in tourist traffic during the last decade-and-a-half. As a result, huge amounts of wood have gone into the construction of hotels, guest houses, bungalows, tourist huts and other kinds of accommodation. Development plans for the future — the creation of an artificial lake near Manali and the construction of other attractions like ski lifts and skating rinks — suggest that tourism will continue to play a prominent role in the economic growth of the valley. It will, however, put still more pressure on the diminishing forest resources, all the more so since the Himachal government also intends to develop other areas such as Manikaran, Naggar and Solang valley as tourist centres.

It is evident that in less than three decades, the Upper Beas valley has

been integrated into the capitalist, commercial system of the country. The question now is not whether this prosperity will increase, but at what cost it has been achieved. An evaluation of the environmental situation will show that transport development, a prerequisite for economic "progress", has taken and is continuing to take a heavy toll of the vegetation and animal life of the Upper Beas valley. Increasing quantities of wood are being removed — for export, for construction, for use by the multiplying indigenous population, for the burgeoning tourist traffic, and to feed the growing numbers of wood-based industries. But the cost of all this is daunting. Original forest tracts are being engulfed by expanding agriculture and settlements. Vegetation is being destroyed and degraded rapidly, in the main Beas and its tributary valleys. Fauna are on the decline and their habitat, especially those of big game animals, are being wrecked.

[27 May 83 p 8]

[Text] **T**HE large-scale deforestation along the main Beas valley is only too apparent. In the neighbourhood of settlements, forests have been sheared to give way to bare slopes (with, at the 'optimistic' most, trees along the crests of ridges), orchards and other cultivated crops. As pressure on the land has mounted, there has been much illegal encroachment of agriculture on forest land. A survey in March 1972, for instance, revealed an annexation of 287.21 ha of forest land. Much more has gone undetected. Figures indicate that the undemarcated forests, which have been the most grossly abused, have reduced in area by almost 5,000 ha between 1963 and 1975. In fact, the vegetation in them has been reduced to patches of not more than 50 acres each—and even these are shrinking year by year. It has been found necessary to bring large sections of these forests within the fold of 'protected forests' to counter the general decline in the forest area.

The Gulaba area, in the upper reaches of the Beas valley, north of Kothi, has been completely shorn of its beautiful fir forests. Today, this area is like a wartime cemetery, with tree-stumps marching in ranks across the steep and starkly naked slopes. Tributary valleys like the Parbati, Hurla, Alain, and Sarwari, though deforested to a lesser degree than the main Beas valley, are fast catching up with it.

The fate of a clear-felled areas after the vegetation is removed is alarming. The bare ground, suddenly exposed, gets infested with weeds

and other unwanted vegetation and it takes several years of non-interference by man or grazing animals for the forest to regenerate itself. Meanwhile, the soil gets eroded, so the ultimate regenerated forest is usually different from the one felled. This is happening in much of the undemarcated forests of the tract.

In addition to the large-scale felling for timber, the forests have been subjected to other pressures. The growing population has increased the demand for fuelwood and torchwood. Lopping, thinning, debarking, the removal of leaf-mould and the periodic burning of grasslands ('phat-burnings') have all taken their toll. This has further weakened the vegetation on the hillsides, making much of it susceptible to insect and fungal attacks.

## Regular Practice

The removal of dead leaves is causing a degradation of vegetation in those tracts which are close to settlements and where the inhabitants have made this activity a regular practice. The raking of litter from the forest floor extracts organic matter from the soils, causes a loss in nutrients and reduces the small animal population. Furthermore, this type of litter extraction causes a loss of seeds for reproduction. In November 1982, technologists of the Regional Research Laboratory at Jammu announced the establishment of a plant for making fibre-board from pine needles for fruit packing cases at Baijnath village in Himachal Pradesh.

An average of a tonne of dry pine needles will be collected from every hectare of pine forests in the area, a

total of 1,500 tonnes of dry needles per annum. But they have spared no thought for the supply of alternative soil nutrients to these forests. Besides, the removal of litter, by reducing the number of forest fires, will promote the undergrowth of species like oak, which will prevent the regeneration of pine. Ultimately, pine forests may be reduced to scrub oak!

Overgrazing by a growing population of cattle, sheep and goats is posing a problem in the more accessible forests and grasslands. Overgrazing of the existing pastures has led to the extension of grazing into the surrounding forests, because at each stage of deterioration the existing pasture has offered less nourishment per acre. So a given number of animals has required a progressively larger area of pasturage. Where grazing has been excessive within

the forests, as in certain undemarcated forests, natural regeneration has been checked because young saplings have been devoured or trampled upon by browsing animals.

The progressive loss of tree cover has triggered a chain of other ecological changes, the worst of which is soil erosion. The Snow and Avalanche Studies Establishment (SASE) at Bhang, just outside Manali, has found a 15 per cent to 20 per cent increase in the number of avalanches every year. Masses of snow and boulders, sliding down the mountain-side, have knocked off not only the top soil in the higher reaches but also the trees coming in their way in the lower reaches. The number and frequency of landslides along roads have increased over the years. The process used for road-building in the mountains destroys vegetation

and loosens soil causing landslides. Little tributary 'nullahs' bring down the loosened soil and rock material from denuded slopes, causing numerous road blockades.

The number of landslips along NH 21 rose from 12 in 1975 to 21 in 1977. Significantly, the All-India Soil and Land Use Survey Organisation has revealed that 70 per cent of the land area (excluding that under snow) accounting for 151 out of 222 sub-watersheds in the tract, require soil conservation. In 52 per cent of the land, the problem of soil erosion is really acute, and of this, 11 per cent is because of poorly managed terraced cultivation.

The construction of roads, by intensifying the removal and modification of vegetation, has had an impact on the animal life of the Upper Beas valley. It has been observed that at lower elevations one can walk for mile after mile in forests without seeing game birds, leave alone game animals. Fauna have not only retreated to newer, remoter habitats, but have diminished because of hunting. Today, there are strict controls on the number of animals that can be shot in one hunting season. However, a lot of poaching apparently still goes on.

Bears have declined to such an extent that it is difficult to spot one, even in valleys like the Parbati and Solang Nala, which were the favourite haunts of these creatures. The Kastura or musk deer, prized for its strong-scented musk pod (occurring only in males) is a protected species today because it has been excessively exploited in the past. Yet, it is slaughtered by professional poachers. Other fauna threatened are the snow leopard (prized for its fur), the Kashmir stag, birds like the Monal pheasant (the male is killed for its dark

green plume and the female for meat), and the Tragopan or Western horned pheasant.

One of the worst sufferers of road construction, soil erosion and siltation is trout. They were first introduced into the cold waters of the Beas and its tributaries by the British in 1909. The establishment of a trout farm at Patikuhl in 1943 led to fresh imports of rainbow and brown trout. These fish are very sensitive to the presence of silt in water because it chokes their gills. Their mortality rate is very high during the monsoon, when the gushing nullahs bring down debris from the overgrazed, deforested slopes above. The present trout hatchery has begun to silt up the fresh-water nullah through the farm. Earlier, the old trout farm on the left bank of the Beas, at Mahili, had to be abandoned for the same reason.

### Pulga Dam

The planned hydro-electric power project and dam at Pulga is a threat to the fish population of the Parbati valley. Reservoirs have a greater surface area than free-flowing waters. A large amount of solar energy is absorbed and causes the water temperature to rise. This can be fatal to cold-water fish. Besides presenting a physical barrier to the movement of fish, water flowing over dams can become super-saturated with nitrogen. This causes fish downstream to get the 'bends' (too much nitrogen in the bloodstream), which kills them.

As the natural fauna of the Upper Beas valley have diminished, there has been a proliferation of domestic animals — cattle, sheep and goats. Jersey cows and bulls have been introduced along with artificial insemination techniques. So the number of cross-bred animals is on the increase.

New sheep breeds and poultry are also being actively popularised. The growing number of herbivores has, of course, increased pressure on pastures while encouraging the spread of fodder crops.

Angora rabbits, introduced into the valley in 1963, were housed in the Angora rabbit farm at Mahaul. They did fairly well till the end of the decade. However, in the early 1970s, they started dying because of excessive heat and disease. Evidently, the temperatures in the valley were lower in the 1960s, low enough for the Angora rabbits to survive. Then, with increasing deforestation, the valley warmed up, taking a heavy toll of the rabbits, which could not acclimatise themselves to the temperature increase. Today, the environs of the farm have to be artificially cooled, using sprinklers over the hutches and willow plantations. Because of the increasing siltation and waste dumped in the Beas, a well has had to be dug to provide these delicate creatures with drinking water.

Today, nature is in full retreat in the Beas valley, as timber markets grow in size and number, as the once inaccessible forests themselves come within easy reach, and as the ever-growing population increases its pressure on the area's depleting natural resources. The tragedy that is being enacted in the Upper Beas has already occurred in the more accessible valleys of the outer Himalayas. 'Conservation forestry' is imperative if the Himalayas are to remain habitable. The capital stock locked in forests must be left intact, regardless of demand. Demand must be reduced to the level of production, and production must not be increased beyond a limit imposed by the carrying capacity of the land. This is the only way the looming crisis in the Himalayas can be averted.

## WEST BENGAL MINISTER TELLS POLLUTION CONTROL PLANS

Calcutta THE STATESMAN in English 20 May 83 p 3

[Text]

**MR** Bhabani Mukherjee, West Bengal's Environment Minister, said at Writers' Building on Thursday that henceforth clearance from his department would be necessary to set up any new factory in the State.

Mr Mukherjee said that on several occasions the civic authorities concerned had been found to grant trade licences to industrial units without giving much consideration to the possibility of pollution.

The Minister, who had earlier met the Chief Minister to discuss several issues, said that in the middle of June there would be another meeting with Mr. Basu to sort out problems faced by his department in taking measures to reduce pollution in the cities and other urban areas. In July, during Vanamahatsava, all the departments of the State Government as well as several other non-Government organizations would be involved in the drive against pollution and other programmes.

Mr Mukherjee said that the zoo in Darjeeling would soon come under the control of the Environment department. Till now, it was managed by the Higher Education department. He pointed out that

the Zoological garden at Alipore which had been under the control of the Animal Husbandry department, was transferred to his department recently.

The Minister said that he had received complaints that boiling water from the Thermal power station at Bandel was being discharged directly into the Hooghly. He went there to inquire into the basis for such an allegation. Mr Mukherjee said that he had been shown a place for storing the boiling water to be cooled before it was discharged into the river. The Minister said that he had suggested to the authorities at the power station to see that the water was properly cooled and free from impurities before its discharge.

Mr Mukherjee said that on April 13 a letter from the Prime Minister had been received by the Chief Minister. The letter urged the State Government to initiate several programmes in Calcutta and the towns to free them from pollution. The letter, among other things, suggested that more playgrounds, gardens and open spaces should be created to help improve the environment. Some of the programmes which had been suggested in the letter had already been initiated by the State Government on its own, the Minister claimed.

CSO: 5000/7044

## BRIEFS

CHEMICAL INDUSTRY PANEL--New Delhi, May 14 (UNI): The government has constituted a tripartite industrial committee on the chemical industry to study and discuss problems in the labour field. The committee will be chaired by Mr. Veerendra Patil, minister for labour and rehabilitation, and will have 30 members representing employers, workers and state governments, says an official release. [Text] [Bombay THE TIMES OF INDIA in English 15 May 83 p 9]

SWATANTRA PARTY REVIVED--Madras, May 17 (PTI): The erstwhile Swatantra Party, founded by Rajaji, has been revived. The members of an ad-hoc committee, which had been set up during September, 1981, met at Kambakonam yesterday and revived the party, says a press release issued here today on behalf of the newly-elected general secretary, Mr. P. T. Raghavan. "The state of our nation is the same as existed in 1959 which necessitated Rajaji and others to found the Swatantra Party, and hence the ad-hoc committee resolved to revive the party", the press release said. A 15-member working committee was elected under the presidentship of Mr. K. A. P. Parthasarathy, the press release said. The aims of the party included, among other things, the "arresting of increasing powers of the state which are detrimental to individual freedom, striving for maximum freedom and minimum government as enunciated by Mahatma Gandhi, reducing the government monopoly to reasonable limits and making the people to return to Gandhian ways and values," the press release said. The committee extended its support to the traders of Tamil Nadu "in their valient fight against the entry tax introduced by the government" and welcomed the recent Krishna waters agreement between Andhra Pradesh and Tamil Nadu. (The erstwhile Swatantra Party had merged with the Janata party in 1977). [Text] [Bombay THE TIMES OF INDIA in English 18 May 83 p 5]

SQUABBLES IN INDIA-CHINA CHAMBER--New Delhi, May 17.--Commerce Ministry sources said yesterday the Government was watching with concern the quarrels among office-bearers of the India-China Chamber of Commerce and Industry and would try to ensure that an organization formed to promote trade did not actually retard it. The affairs of the chamber, whose officials last week quarrelled openly over allegations on tobacco exports to China, took a more curious turn when they suspended each other and then questioned one's right to take action against the other. The chamber secretary-general, Mr G. D. Pandey, suspended the chairman, Mr Santosh Chatterjee, after the latter had stated that Indian firms had exported

defective tobacco to China. Mr Pandey was then suspended as secretary-general by the president of the chamber, Mr B. D. Agarwal, for making charges against Mr Chatterjee without referring the matter to the executive committee. The bitterness among the office-bearers was evident when Mr Chatterjee denied the charges made against him by Mr Pandey and, in his turn, accused the latter of having "not moved his little finger ever since the setting up of the ICCI for the organization". On the controversy relating to the financing of their trips to China, Mr Agarwal yesterday clarified that the funds were provided by two tobacco firms in Andhra. Mr Agarwal has called a meeting of the chamber's executive on May 28 to consider the matter. [Text] [Calcutta THE STATESMAN in English 18 May 83 p 9]

HELICOPTER PROJECT DELAY--New Delhi, May 18 (UNI). A project for the manufacture of armed light helicopter (ALH), mooted more than a decade ago, is still at the drawing board stage, according to the 130th report of the public accounts committee. The committee has taken a serious view of the fact that the search for a modern helicopter, initiated in 1970 to meet the requirements of the 1980s, is, according to present indications, not likely to fructify before 1990. The delay was initially attributed to the time taken to switch over from single engine to twin engine configuration and thereafter to the search for a suitable engine and a collaboratory for the manufacture of the airframe. The committee regrets that even after a lapse of about a year since the presentation of their 76th report, it has not been possible for the Union government to finalise the proposals for a design collaboration agreement. Considering the "lackadaisical" manner in which the project has been pursued so far, the committee has expressed apprehension that unless the agreement is finalised with speed, the induction of modern combat helicopter might not become a reality even by 1990. The delay would inevitably push up the cost of development and manufacture of the helicopter, besides depriving the armed forces of such a vital requirement. The committee is given to understand that proposals submitted by two foreign firms for collaboration with regard to the airframe are still under consideration and a decision on the matter is expected shortly. The defence ministry expects that the first prototype flight of the proposed twin engine helicopter would be possible in about five years from "go ahead." Regular production of the helicopter would commence within the next ten years depending on the collaboration and the extent of assistance available in design, development and production. [Text] [Bombay THE TIMES OF INDIA in English 19 May 83 p 7]

INDO-CANADA JOINT BUSINESS COUNCIL--New Delhi, May 17 (UNI): An agreement to set up an Indo-Canada joint business council was signed on May 13 at Toronto between Mr K. N. Modi, past-president of FICCI, and Mr. Thomas J. Bata, chairman of the Canada-India business council, according to a telex message received here yesterday. The agreement provided for a meeting between business representatives from India and Canada to create grounds for enlarged trade flows between the two countries as also to facilitate transfer of technology and investment. [Text] [Bombay THE TIMES OF INDIA in English 19 May 83 p 5]

WHEAT FOR NEPAL--New Delhi, May 18.--India has agreed to loan 10,000 tons of wheat to Nepal to enable it to meet its difficult food situation. The commodity loan is on replacement basis and free of interest for six months from the date of completion of the delivery. An agreement in this connexion was signed here today. Mr G. V. Viswanath, Joint Secretary in the Department of Food, signed on behalf of the Government of India and Mr P. B. Bist, Economic Counsellor, Royal Nepal Embassy in Delhi, signed for his country. India has already loaned 15,000 tons of wheat to Nepal under an agreement signed in February. [Text] [Calcutta THE STATESMAN in English 19 May 83 p 12]

TANK MANUFACTURING UNIT--Tiruchi, May 29. A factory to manufacture engines for the 'T-72' Russian tank will be set up at Avadi, near Madras, soon. The unit will also make engines for other types of tanks manufactured in the Avadi Heavy Vehicles factory and also for the armoured personnel carrier to be manufactured at Medak. Disclosing this to newsmen here today, Mr. R. Venkataraman, Defence Minister, said that the initial outlay for this Rs. 100-crore project would be around Rs. 35 crores. This would provide employment for over 2,000 persons. To begin with we will go in for technical collaboration. The ultimate aim was to develop the engine indigenously, Mr. Venkataraman said. "No decision has yet been taken on the foreign collaborator." "I have no interest in Tamil Nadu politics", Mr. Venkataraman said when he was asked about the change in the TNCC (I) leadership and speculations about the party aligning with the AIADMK. "I have always felt that Congress (I) must stand on its own legs", said Mr. Venkataraman denying the suggestion that he was acting as the negotiator between the Congress (I) high command and the AIADMK leadership for forging an alliance. Mr. Venkataraman said he had sent a telegram to the Railway Minister, Mr. Ghani Khan Choudhury to run water specials from Neyveli to Tambaram. [Text] [Madras THE HINDU in English 30 May 83 p 9]

INDO-SOVIET COOPERATION--Bombay, May 25: The bilateral co-operation between India and the Soviet Union in the fields of economy, trade, science and technology has achieved new heights with the successful visit to India of the first deputy chairman of the USSR council of ministers, Mr. I. V. Arkhipov. This was stated by Union industry minister, Mr. N. D. Tiwari, in a recent interview to APN. He said the visit of Mr. Arkhipov, one of the architects of Indo-Soviet economic cooperation, was much appreciated by the Indian public. Mr. Arkhipov showed special interest in the strengthening of trade relations between the Indian public sector projects, Mr. Tiwari said. Referring to the future prospect of Soviet-aided projects, Mr. Tiwari expressed the hope that the mighty Visakhapatnam steel plant and the Vaidhan thermal power station would be expeditiously completed. Ways and means should be found to finance and set up the Andhra Aluminium Project, he said. He pointed out that items of consumer and agricultural goods which could be produced more in India would be supplied to Soviet market so that by these earnings India could get more capital goods. The USSR has placed on HEC orders of about 39,000 tonnes valued at Rs. 83 crores, the delivery stretching upto December, 1984. So far, out of this, 26,500 tonnes valued about Rs. 46 crores have been already manufactured and despatched by HEC. Similarly, MAMC also received orders from the USSR of 12,600 tonnes valued Rs. 44 crores. Out of this, about 3,600 tonnes valued at Rs. 11 crores have already been manufactured and despatched by MAMC. [Text] [Bombay THE TIMES OF INDIA in English 27 May 83 p 10]

THIRTEEN POINT JOINT COMMUNIQUE RELEASED BY IRAN, BANGLADESH

Tehran KEYHAN in Persian 17 Jul 83 p 18

[Text] The foreign minister of Bangladesh visited with President Hojjat ol-Eslam Khamene'i and Prime Minister Mir Hoseyn Musavi.

The foreign minister of Bangladesh also talked with Dr Velayati, Dr Namazi, the minister of economic affairs, Asgar-Owladi, the minister of commerce, and the deputy minister of oil in Iran.

The joint communique of the Islamic Republic of Iran and Bangladesh concerning the results of the official visit of the minister of foreign affairs of Bangladesh to Iran was issued as follows:

The joint communique of Iran and Bangladesh concerning the results of the official visit of the foreign minister of the People's Republic of Bangladesh to the Islamic Republic of Iran, dated 14-16 July 1983:

1. On the invitation of Dr 'Ali Akbar Velayati, the foreign minister of the Islamic Republic of Iran, Mr A. R. Shamsud Doha, the minister of foreign affairs of the People's Republic of Bangladesh, made an official visit to Iran from 14 to 16 July 1983.
2. Mr A. R. Shamsud Doha and his companions were warmly received, which illustrates the brotherly relations existing between Iran and Bangladesh.
3. During this visit, the foreign minister of Bangladesh met with Hojjat ol-Eslam Seyyed 'Ali Khamene'i, the president of the Islamic Republic of Iran, Mir Hoseyn Musavi, the prime minister, and other high level officials of the Islamic Republic of Iran.

4. The minister of foreign affairs of Bangladesh also held two rounds of discussions with Dr 'Ali Akbar Velayati and similar discussions with Dr Hoseyn Namazi, the minister of economic affairs and finance, Mr Asgar-Owladi, the minister of commerce, and Dr 'Abbas Honardust, deputy minister of oil.

5. The ministers of foreign affairs of Bangladesh and Iran discussed broad bilateral and international issues, including those involving the Islamic world, with the help of their related committees in an atmosphere of understanding and brotherhood. Both sides referred to the deep religious, cultural and historical relations between the two Muslim nations of Iran and Bangladesh and happily pointed out that the expansion of mutual relations is based on Islamic interests and heritage. They expressed a desire to strengthen and expand the existing cooperation between the two countries in various areas through more contact and the exchange of delegations on various levels.

6. Both sides emphasized their commitment to the unity of the Islamic nation and strongly expressed their demand for the liberation of all the occupied Arab and Muslim lands from the domination of Zionism. They also strongly emphasized that the real solution to this very important issue rests, again, with the whole problem of the Palestinians, represented by the PLO, and also the return of Islamic rule over holy Jerusalem and the Palestinian land.

7. Both sides expressed anxiety over the current situation in Afghanistan and emphasized the need for the immediate exit of all the aggressive and occupying forces from that country so that the Muslim people of Afghanistan will be able to decide their own future.

8. Both sides emphasized their commitment to the non-aligned principles of mutual respect for territorial integrity, non-interference in the internal affairs of other countries, not resorting to force and the peaceful solution to all differences.

9. Both sides strongly emphasized that the Indian Ocean should be proclaimed a peace region and remain clear of all global rivalries.

10. In assessing the international economic situation, both sides emphasized the importance of the rapid growth of the developing countries and the need for true cooperation among them.

11. Considering the brotherly interest which ties the two countries to each other and the need for clear joint views based on Islam, both sides expressed a desire that in a future visit of the minister of foreign affairs of Iran to Dacca, the first draft



of an agreement concerning the formation of a joint committee be signed.

12. Mr A. R. Shamsud Doha expressed his deep appreciation for the warm and sincere hospitality extended to him and his companions by Mr 'Ali Akbar Velayati, the minister of foreign affairs, and the brother nation of the Islamic Republic of Iran. The minister of foreign affairs of Bangladesh invited Dr 'Ali Akbar Velayati to make an official visit to Bangladesh. This invitation was happily accepted.

10,000  
CSO: 4640/282

ARTICLE DETAILS ROUTING, SHIPMENT OF EXPLOSIVES TO IRAN

Lisbon EXPRESSO in Portuguese 9 Jul 83 p 1

[Text] A shipment of 2,000 bomb detonators intended for the Iranian air force, which originated in Portugal, was confiscated in Dubai together with the ship transporting it, following the pertinent decision of the port authorities of this Arab emirate, the EXPRESSO learned from the ship's captain, Tom Screech, a British citizen.

It was also learned that the detonators were manufactured in Israel, while Portugal was merely a transshipment point. In spite of the fact that this shipment is not very significant, its existence indicates that Portugal is presently being used as an intermediary for the sale of weaponry to Iran by countries which, for diplomatic reasons, would not wish that their activities become public knowledge.

The detonators arrived at the Portela airport on 29 March 1982 on a Trans America Airlines flight from Tel Aviv. The deal was transacted through a well-known arms merchant, Hushang Lavi, originally from Iran, the owner of the Western Dynamics firm with offices in New York. This firm asked the Portuguese firm Explosivos da Trafaria, Inc. (with mixed capital but mostly state-controlled) to ship the merchandise to Iran. This was confirmed to the EXPRESSO by Alpoim Calvao, chairman of the board of the Explosivos da Trafaria. The Portuguese firm used this opportunity to add to the shipment 12 samples of its own explosives, also intended for Iran.

However, following a number of difficulties, the Explosivos da Trafaria was unable to receive authorization to ship the merchandise via air and therefore chartered the British ship "Sarah James," which left Setubal on 12 July of last year under the command of its owner David [as published] Screech.

For reasons not altogether clear, the ship was not allowed to unload in Bandar Abbas by Iranian port authorities. Following fruitless negotiations, David Screech left for Dubai in an attempt to sell the detonators to Iraqi intermediaries (this country is at war with Iran).

Meanwhile, port authorities in Dubai intervened, arresting David Screech and confiscating the "Sarah James" with its cargo. At the end of 69 days

of detention, Screech was released and has been attempting--so far unsuccessfully--to obtain some indemnization from the companies involved. However, the ship and the detonators continue to remain in Dubai.

Besides revealing that Portugal is one of the possible points of support for the supply of weaponry to Iran, this incident shows that at least one U.S. firm, Western Dynamics, is violating the embargo on the sale of weapons to the Khomeyni regime decreed by Washington.

CSO: 3542/172

LAJEVARDI COMMENTS ON PRISONERS, TRIALS, TUDEH ETC.

Zurich DIE WELTWOCHEN in German 26-29 Jun 83 p 5

[Interview with Assadollah Lajevardi, chief public prosecutor of revolutionary justice in Teheran, by Andreas Kohlschuetter of DIE WELTWOCHEN: "The People Embraces Me. Teheran's Judge Over Life and Death Gave Andreas Kohlschuetter a Rare Interview"]

[Text] Assadollah Lajevardi, the chief public prosecutor of revolutionary justice in Teheran, is the most-feared man in Iran. He did away with the entire opposition to the Ayatollahs. In an interview with DIE WELTWOCHEN, he explains how he diminished the suffering of the executed in the hereafter. . . .

Teheran. -- In a whisper he is called "Jallad", the executioner. Assadollah Lajevardi, the Teheran chief public prosecutor for the revolutionary tribunals responsible for political justice, is probably the most-hated man of the Khomeini regime. The former woodcutter and bazaar merchant sat in prison for 15 years under the shah: Because of membership in a right extremist Muslim terror organization, which in 1964 did assassinate the then head of the government, Mansur. His Islamic jurisprudence, which the revolutionary grand inquisitor practices with such terrible religious dedication, Lajevardi learned, as he stated in his WELTWOCHEN interview in the Evin prison, "in the mosque, in the forest, and in prison".

Here in Evin, the penitentiary built yet during the time of the shah for about 6,000 inmates at the edge of the city of Teheran, then under Khomeini at times horribly overfilled with 12,000 to 15,000 prisoners, Lajevardi is in command. He decides over life and death. On his orders people are persecuted and placed under arrest. His direction determines the course of investigation, interrogation, and "processing". Also the sentence and finally the execution. No one has ever seen him manhandle a prisoner himself. But hundreds of witness reports identify him as the instigator of the physical and psychic terror prevailing in Evin.

In the wrinkled wood cut face behind thick horn-rimmed glasses, the eyes which despise the world around him attract attention. With them the 46-year-old spirit of vengeance last but not least offers resistance to the conspicuous

ostracism which he experiences even in the circle of leading clerics, politicians and military men assembled around Khomeini. And so this Lajevardi does live separated from his wife and children, as a recluse behind the protective walls and rifle barrels of Evin. An ascetic, who has given his allegiance to deadly justice and will never enjoy life again.

Everything about this fellow is robust in Lumpenproletariat manner: The deep scar in his forehead, the enormous head, the coarse black beard, the thick-set fat body, the fingers as thick as a rubber truncheon. The Lajevardi, who meets the visitor to Evin at 6 a.m. in barefeet slippers, rolled-up trousers, and with a bucket of freshly-rinsed laundry, is a man of honor, villain, and possessed at the same time. His wild laugh, when he begins to talk about the execution of ex-foreign minister Ghotbzadeh, makes one tremble. The brain washing, physical punishment tortures and death penalties, which he metes out in this world to the "enemies of God" imprisoned under his thumb in order to facilitate their entry into the hereafter and to mitigate Allah's wrath, have their origin in a mixture of sadism and religious fanaticism. Lajevardi is said to be deeply religious. That does not make him better, no less frightening. He remains a monster.

The scene of Evin fits him. Beautifying gardens and parks. Seductive splendor of flowers, "cheerful prisoners" who are watering potted plants and trimming roses. The lively chirping of birds, a rooster crowing--false sounds of freedom. In actual fact misanthropic unfreedom lurks everywhere. Final iron gates, rough body searches during which even the guards search each other. Concealed buildings with facades of bars, the uppermost rooms without windows, only with a slit for air and glaring light tubes. Thick lattice bars on a tunnel entrance to the sound-proof interior of the Evin hill. Perhaps to that notorious, often-described "Block 4", where people are beaten, whipped, suspended by their feet, and bestially tortured? Strangely many physically maimed people among the--also female--guard personnel. One-eyed, cross-eyed, limping, shuffling, nervously twitching people. As if those tormented by God had come together in order to act here in Evin as tormentors in the name of God.

In Khomeini's entourage Lajevardi is described as an "indispensable instrument of the Islamic Revolution in the stage of its struggle for power". But what now, "when the time of consolidation and construction has begun" and "the people must feel tranquillity and security", as Khomeini decreed in December of last year in his historic decree on the security of law? Has the bell tolled for Lajevardi, or will his services continue to be required now and always? It does appear as if the Islamic revolution in Iran is experiencing its Thermidor, which is cooling off its fever and reducing the "tyranny of terror and virtue". But there are also indications that the inclination of the Islamic regime towards the use of political force will remain for quite some time, as the hereditary disposition of the revolution and in reserve, as it were. Then Lajevardi, too, would have a future.

He receives people, surrounded by body guards and guard personnel. The one thick foot is tucked into a slipper shoe with the inscription "Mohammed Resa". It belonged to a revolutionary guard who perished in the gulf war and who served the "executioner" of Evin especially faithfully. "I love such souvenirs," Assadollah Lajevardi asserts. Then he pulls his other foot up in

tailor fashion, massages his naked toes with his left hand and declares himself ready for the interview:

WELTWOCHÉ: How many political cases are daily decided before the Teheran revolutionary tribunals?

Lajevardi: In the name of God, the merciful and compassionate. Groupings that act against Islam and the Islamic Republic must be destroyed. Before the conspirators and terrorists conducted large-scale actions, 5-6 stood before our tribunals. In the summer of 1981 (overthrow and escape of the president, Bani Sadr), there was an enormous increase. As a result of precise surveillance of the population it then decreased to 2-3 political sentences per day.

WELTWOCHÉ: How strong is the left extremist popular mujahedin movement still, which supposedly has lost more than 3,000 of its members through Lajevardi's execution squads?

Lajevardi: They are still not finished, but today live for the most part in France. There is no precise information about the number of hypocrites eliminated in armed encounters or through executions, but quite certainly it is a smaller number than the victims killed and tortured by them.

WELTWOCHÉ: How many prisoners are held in Evin prison at this time? How many death sentences have been carried out here since the beginning of 1983?

Lajevardi: The person responsible for prison and execution statistics is not present. His office is closed during today's holiday.

WELTWOCHÉ: In a letter to the United Nations General Secretariat, Iranian opponents of the present regime in Paris claimed 30,000 executions since the summer of 1981.

Lajevardi: If we had executed 30,000 people, then Teheran would be a gigantic cemetery (roaring laughter, in which the body guards join as well). Let our enemies assert what they want!

WELTWOCHÉ: Daily 2-3 sentences against counterrevolutionaries and enemies of the people. Does this also mean 2-3 executions?

Lajevardi: At the moment hardly any death sentences are being carried out. Even those who have already been sentenced are being spared. We want to re-educate them. At the same time we are negotiating with the families of their victims. If they forgive them and if those who are guilty change their mentality, then we spare those who have been condemned.

WELTWOCHÉ: What does reeducate mean, who is responsible for this?

Lajevardi: The ideological instruction consists of religious and non-religious courses, which are always related to concrete social and political questions. All revolutionary guards and examining magistrates are obligated in this regard. The reeducation takes place during the discussion between prisoners and Pasdaran

guards, during sessions with the judges, and also in my office. Frequently my room is full of prisoners who are holding discussions with their guards until midnight, even about family problems. The deviations of those who have gone astray are corrected. In the end we can even present them to the people on television.

WELTWOCHÉ: Since when are you concentrating more on pedagogy than on execution?

Lajevardi: These reeducation courses have existed from the beginning. A member of the right extremist Islamic terror gang "Forqhan", which was active immediately after the victory of the revolution in 1979, was released after 6 months of reeducation, although he was responsible for the death of 15 people. Today this man is working for us.

WELTWOCHÉ: Is the law of revenge and vengeance penal law, which demands a life for a life, an eye for an eye, and a tooth for a tooth, not obsolete?

Lajevardi: I advocate the penalty of revenge one hundred percent. It is the only path to the salvation of mankind from evil. That is how it is written in the Koran, that is the Islamic law. And we allow a period of 8 months to expire before we carry out a death sentence imposed by a judge and confirmed by the highest panel of judges.

WELTWOCHÉ: But in the summer of 1981 you made considerably shorter work of the popular mujahedin by the hundreds?

Lajevardi: At that time we were at war and could not wait. It was like on a battle field. And the families suing for their rights pressed for execution and demanded retaliation. Had we not acted at once, they would have rebelled against us. We could not resist the wrath of the people. But today everything is different, now the goal of reeducation has priority.

WELTWOCHÉ: But there is no relying on that. Were there not again mass executions scheduled on a short-term basis in the summer and fall of 1982 in connection with the alleged overthrow attempt of the former foreign minister Ghotbzadeh?

Lajevardi: Ghotbzadeh was a rioter and wanted to overthrow the government. We are not so naive as to fall into the trap of such people, only to please the enemies of mankind, Americans, Russians, Frenchmen and their friends. The same fate which Ghotbzadeh suffered threatens Bani Sadr, who escaped to Paris, and Massud Rajavi, the leader of the popular mujahedin. The now arrested leaders of the communist Tudeh Party, too, will be executed, even if they change their way of thinking and show remorse. Their crimes weigh too heavily, their deviations from the path of God are too great. Nevertheless, they, too, are being cultivated by us ideologically and pedagogically. For we believe in a hereafter and do not wish that even superterrorists such as these are chastised too much and have to suffer in the hereafter. For this reason we try to redeem them from their evil heretical spirits still here on earth.

WELTWOCHÉ: Amnesty International and former inmates of Evin complain about mistreatment and torture. What do you say about this?

Lajevardi: These are nothing but lies of our enemies. Bring me a former inmate who will raise such accusations in my presence! You see the prisoners, how they are working in the garden cheerfully and happily. On certain holidays they are allowed to have picnics in the park with their families. I, too, join them then.

WELTWOCHÉ: No one is beaten here to the point of losing consciousness, beaten on the soles of their feet, subjected to treatment with red-hot irons, suspended from their feet or flogged?

Lajevardi: Occasionally, the whip is used, but without leaving scars. Either an already sentenced prisoner in Evin commits an offense for which a number of lashes, to be determined by the judge, is stipulated as punishment. Maximum 80, minimum 40. Or, during the course of the trial of a counterrevolutionary it is found that the defendant, according to his own admission, also violated the Islamic prohibition of alcohol. For this he can, during the course of his trial, also be punished with 40 to 80 lashes.

WELTWOCHÉ: So your guards do not use any kind of force in order to elicit from the defendants the confession, which occupies such a central place in Islamic criminal law?

Lajevardi: No such things exist here. These allegations are absurd.

WELTWOCHÉ: Can you swear to this in the name of Allah?

Lajevardi: Why should I do this? First of all, you do not believe in Allah, and, secondly, you are from Europe with its profoundly corrupt French, German, and other governments, which should have been overthrown long ago. Who are you to demand of me an oath before my God?

WELTWOCHÉ: Why are there no defense attorneys anymore in the Islamic Republic?

Lajevardi: No one wants to become an attorney anymore. You do not know our people. Nobody wants to defend traitors or terrorists. There is nothing to defend after all if someone has killed someone else.

WELTWOCHÉ: How could the tough Tudeh leaders, who in the prisons of the shah remained silent in spite of the most cruel torture, now be induced by the Islamic investigation organs to make such comprehensive confessions in front of television cameras?

Lajevardi: If we had put a spell on Kianuri (Tudeh chief) or had subjected him to injections, as our enemies assert, how then could his clear and precise statement in front of television cameras be explained? Had he been brutally beaten and tortured, how could he have stood on his feet, walked or even only been able to sit?



WELTWOCHÉ: Has the Islamic Republic and Khomeini's divine state eliminated its last great enemy with the Tudeh Party?

Lajevardi: What remains are merely political greenhorns and lightweights.

WELTWOCHÉ: The Iranians are afraid of you. Does that not matter to you?

Lajevardi: Thieves, saboteurs, counterrevolutionaries, hypocrites, conspirators and enemies of the people are frightened of me. But not the people. It embraces me.

8970

CSO: 4620/27

INDUSTRIAL PLANNING, PRODUCTION, PRICES DISCUSSED BY NABAVI

Tehran ETTELA'AT in Persian 17 Jul 83 p 2

[Interview with Minister of Heavy Industries Engineer Behzad Nabavi by domestic and foreign correspondents on 16 July; place not specified]

[Text] Production in the government sector of heavy industries in the first three months of the period 21 March 1983-20 March 1984 increased an average of 70 percent compared to the same three months last year. Engineer Behzad Nabavi, the minister of heavy industries of our country, announced this statement yesterday afternoon in a press, radio and television interview with domestic and foreign correspondents and provided some explanations in regards to the general activities of this ministry, the reconstruction of the industries of the country, technical and industrial relations with other countries and also the import of industrial goods and machinery.

First, referring to the short time since the establishment of the Ministry of Heavy Industries and the onset of planning in this Ministry, Engineer Nabavi said: Since mid fall of 1982, which marks the beginning of the activities of the Ministry, the work of the committed and responsible brothers in this Ministry has dealt with improving the existing situation regarding heavy industries and in this regard, planning has been done in several areas. In regards to planning in the country's heavy industries sector, Engineer Nabavi said: In this area, we have attempted to raise production in the units under the Ministry to twice the level of last year. He spoke about the results of those activities and added: The value of the production of the government sector for heavy industries in the first three months of last year was about 50 billion rials. In a similar period this year, it reached 85 billion rials with fixed prices and an occasional decrease in prices, which indicates a growth of 70 percent compared to the first 3 months of last year. He added: Also, with the planning which has been done in the area of production for the current year, it can be projected that the total level of sales in the current year will be about 410

billion [rials], which will bring 53 billion rials to the companies under the auspices of the government sector, that is, the organization of expansion and reconstruction of the industries of the country.

Then, concerning the plan to increase the shifts of the production units, considering shortages in such areas as raw materials, the limited currency reserves for the import of such materials and spare parts and other problems, such as water and electricity and whether this will have positive results, Engineer Nabavi said: The plan that has been implemented so far is to increase the existing shifts to maximum capacity.

Also, concerning the increase in employment in heavy industries, he said: Thus far, the work force has increased by 11 percent and if this increase continues, a larger work force will be absorbed. As a result, without imposing the cost of employment on the government sector, many workers will be employed in the country's industries.

He added: In early fall of last year, a contract was signed to purchase 19,000 unassembled pieces for Renaults to be assembled in the Saypa factory, which will enter the country gradually. In conclusion, denying the rumor concerning the prohibition against workers' taking annual vacations, the minister of heavy industries said: Under no circumstances will we prevent workers from taking annual vacations, but, we will prevent those whose absence would cause a halt in production from taking vacations.

#### Change in the Production Line

Engineer Nabavi said: In some of the units, the production lines will change. Among them, in "Pars Khodrow" [Pars automobile], Land Rover automobiles will be built and we will use the resources of the "Renault" factory for the production of Nissan pickup trucks. "Iran Kaveh" factory, after changes in the production line, will produce "Volvo" and agricultural trucks.

He also added: From 11 February 1984, in some of the units there will be three shifts and following the production program, the expert manpower needed will be trained, with efforts made to use our own experts in the industries as far as possible.

He said: According to the plan, by 11 February 1984, none of the heavy industries production will require imports in regards to what can be built domestically.

He added: For all the parts which are imported and can be manufactured domestically, investments should be made by mid winter of 1984. For instance, in regards to buses and minibuses, if all the parts which can be manufactured domestically are

built, we will have about \$30 million in currency reserves for the production plan of this year.

He said: We pledge that by 11 February 1984, we will certainly have all the necessary investments ready for contracts in order to make the existing industries self-sufficient and we will accomplish this task in any way possible.

#### Decrease of Production Prices

The minister of industries continued: The formation of the following committee for self-sufficiency in heavy industries, which was done about 20 days ago, the raising of the percentage of domestic manufacturing and investment in areas which need new investments for self-sufficiency as well as the creation of a headquarters for quality control, which is an important issue in the industry of a country in order to raise the level of domestic production to an acceptable level, and national as well as international standards in order to gain the world market are among other short term programs of this Ministry. These programs have enabled us to take the necessary steps to lower costs and offer the products of most of the factories under the auspices of the Ministry of Heavy Industries at lower prices than those of past years.

He added: According to the projected plans, in the second half of the period 21 March 1983-20 March 1984, we will make efforts to lower prices in all areas of production.

Engineer Nabavi said: Something else which has begun is the improvement of the repair and upkeep system. On the whole, these actions have not been and will not be possible but with the help of God and the determination of our combatants in the industrial units.

Responding to the question of whether, as some say, the increase in production will result in increased dependence, Nabavi said in continuing the interview:

In order to prevent the exit of currency from the country, even having an assembly industry is better than only importing goods. Hence, the increase in production will by no means increase our dependence.

He added: No private sector is able to produce more than the existing production units.

At the present time, we are capable of producing 400 Peykans daily. But, due to the government policy, production does not exceed 150 units at the present time, because our goal is not

that every Iranian have a Peykan. On the other hand, the production of pickup trucks has increased from 60 to 120 per day.

#### Five-Year Plan of the Ministry of Heavy Industries

Concerning the five-year plan of the country, the minister of heavy industries said: In the Ministry of Industries, a strong joint council for planning has begun work and by 22 July, this plan will be ready.

He added: The plan to support the small parts manufacturing units and also the plan to create 1,200 turneries and moulding units in the service centers has been devised and thus far, 2,950 applications have been sent.

In the area of small parts manufacturing, we have signed a contract for more than 11,000 machine tools, of which 1,350 have been distributed thus far.

In conclusion, he added: In two months, a decision will be made regarding diesel as well as gasoline fueled automobiles in terms of how and in what manner they should be manufactured.

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